

FINANCIAL TIMES

No.30,617

Tuesday August 16 1988

D 8523 A

WEST GERMANY

Absorbing refugees from the East

Page 2

Austria	Skd22	Indonesia	Rp3100	Portugal	Esc120
Bahrain	Dbf1,450	Israel	NIS1,200	S. Africa	Rsd7,000
Belgium	Dbf1,450	Japan	Yen100	Spain	Pts145
Canada	C\$1.00	Jordan	Ft500	Sri Lanka	Ru130
Cyprus	C\$1.50	Kuwait	Ft500	Sweden	Sk1,000
Denmark	DKr1,000	Liberia	SL125.00	Switz	FrF2,200
Egypt	EGP22	Lebanon	SL125.00		
Finland	FrF1,200	Morocco	FrF1,25		
France	FrF1,200	Morocco	FrF1,25	Thailand	Baht50
Germany	DM82,200	Morocco	FrF1,25	Turkey	DM1,000
Greece	Dr1,200	Morocco	FrF1,25		L600
Hong Kong	HK\$12	Morocco	FrF1,25		
Ireland	IR1,200	Morocco	FrF1,25		
Norway	Nkr10,000	USA	\$1.00		

World News

South Korea makes fresh overtures to Kim II Sung

South Korean President Roh Tae Woo made a fresh appeal to Kim II Sung, the North Korean leader, to hold a summit to discuss reunification of the divided nation.

South Korean students meanwhile abandoned plans to meet their opposite numbers from the North, after several hundred of their number were arrested. Page 4

Gaza Strip flare-up
Rioters defied an indefinite curfew in a new surge of violence in the Gaza Strip and a Palestinian was shot dead by Israeli troops in the West Bank. Page 16

Riots in Kashmir
At least 75 people were injured in pro-Pakistan Independence Day rioting in Srinagar, capital of the Indian state of Jammu and Kashmir. Prime Minister Rajiv Gandhi warned Islamists against siding with Sikhs in Punjab, saying he did not wish to take action that Pakistan would "regret".

Lebanon poll alert
The Lebanese army was placed on alert in advance of Thursday's parliamentary vote to choose a successor to President Amin Gemayel.

No exit for Lee
Lee Kuan Yew, who recently hinted he might stand down as Singapore's Prime Minister and run for President after his 50th birthday in September, said anyone who expected him to bow out of national life altogether "should have their heads examined".

Manila opposition
Philippines Vice-President Salvador Laurel, who has called for the resignation of President Corazon Aquino, joined opposition leaders meeting to form a new political alliance.

Angola group meets
A joint military committee met for the first time to discuss monitoring of the ceasefire announced last week between South Africa, Cuba and Angola.

Missile team leaves
A team of 40 Soviet missile experts left West Germany, after inspecting US nuclear weapon sites under last December's Intermediate Range Nuclear Forces (INF) treaty.

SA border fence
The South African army has started plans to erect an electrified fence along a 24km section of the Botswana border to counter alleged guerrilla infiltration.

Polish mine protest
About 500 workers staged rallies at the Rudna copper mine in southern Poland to press for recognition of the banned Solidarity trade union and better working conditions.

Dubcek may travel
A Czechoslovakian spokesman said former leader Alexander Dubcek was likely to be allowed to travel abroad for the first time since 1970, to receive an honorary degree in Italy next month.

Ferrari era ends
Enzo Ferrari, founder of the Italian sports car company, was buried privately at his home town of Modena after his death on Sunday at the age of 90. Obituary, Page 2

MARKETS

STERLING
New York close \$1.71425 (1.7140)
London £1.7125 (1.7140)
DM1,2200 (3.2220)
FF10,3500 (70,500)
SF12,7025 (2,7000)
Y226.25 (226.25)

DOLLAR
New York close DM1,8800 (1.8825)
FF16,3805 (6,383)
SF15,785 (1.5785)
London DM1,8810 (1.8800)
SF15,785 (1.5785)
Frankfurt DM1,8810 (1.8800)
Commerzbank 1,471.1 (3.5)
OHL Brent 15-day (Argus)
Gold Y133.25 (133.1)

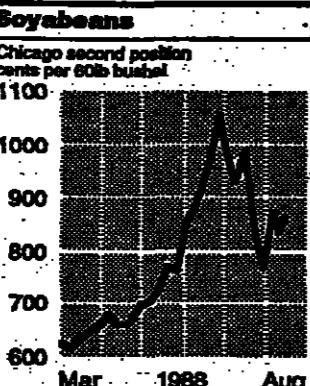
GOLD
New York close DM1,875 (4.15)
Comex Dec \$15,505 (4.11)

Business Summary

Ice cream sales help Unilever to soar £391m

SOARING sales of ice cream in the Mediterranean subcontinent helped Unilever, the Anglo-Dutch consumer products group, to a 14 per cent increase in pre-tax profits during the second quarter. Group world profits reached £391m (SF650m). Page 17

SOYABEANS
Chicago record position cents per 50lb bushel 1100



By Julian Ozanne in Khartoum

FURTHER SERIOUS flooding of the Sudanese capital of Khartoum is expected later this month as the Blue Nile continues to rise, threatening to burst its banks and engulf whole suburbs to the south and north of the city.

As emergency relief supplies begin to trickle through to the estimated 1.5m people left homeless and starving after last week's torrential downpours, health workers fear that epidemics of diarrhoea, cholera, pneumonia, typhoid and malaria may break out in the city.

The Ministry of Irrigation said yesterday that the Blue Nile had risen to a critical level of 16.65 metres - a rise of more than two metres in the last four days.

SOYABEANS crop in the US

prospect of further hot weather damage but futures prices, according to one expert, are not expected to surpass

early-summer highs. The Chicago close was 83.76 a bushel, up by the permissible daily limit of 30 cents. Page 32

K. MART, the world's second largest retailer, reported record second-quarter sales and earnings, helped by a policy of lowering shelf prices. Page 18

US SHOE shares leapt after the Cincinnati-based group, long a takeover target because of a poor performance by its women's clothing stores, said it might sell all or parts of the group. Page 18

CONTINUOUS trading in a variety of West German government bonds should begin on the country's eight stock exchanges from October 1, brought forward from January next year. Page 20

ZIMBABWE'S state-owned reinsurance corporation has taken over the British-owned Legal and General Assurance company in Zimbabwe - the country's second-largest life assurance company. Page 20

SEA CONTAINERS, the Bermuda-based lessor of marine containers and operator of UK ferries, announced net earnings of \$36.2m for the first half of 1988, up from \$30.6m, a substantial improvement over the first half of last year.

At the same time, Tass reported that rebels had captured the Shakardar district, only 40km from Kabul. The agency said that "according to reports monitored here, these groups have in their possession 1,500 rockets for bombing the Afghan capital."

At a press conference in Moscow, Mr Abdol Wakil, the Afghan Foreign Minister, said that his and the Soviet governments would take "appropriate measures" if the attacks continued. He refused to be specific.

The delivery of large consignments of weapons, including heavy weapons, the sending of armed elements and foreign instructors across the border are continuing... the violation by Pakistan of its commitments under the Geneva accords also finds expression in the direct encouragement of the Afghan opposition [and] to overthrow

ing the legitimate Government of Afghanistan.

It is with the direct support by the Pakistani authorities that the alliance of seven [rebel groups] set up, in the city of Peshawar, the so-called "Transitional Government" of Afghanistan."

It said the actions of Pakistan were "a crude violation of Article Two of the agreement between Afghanistan and Pakistan on the principles of mutual relations, in particular non-interference and the renunciation of intervention."

The statement then warned that that these breaches "cannot be further tolerated (and that) the Soviet Union, reserves for itself... the right to take such measures that are necessary by the situation."

The statement came on the day when the Soviet Union

Continued on Page 16

Continued on Page 16

Continued on Page 16

Pleasurama insider deal 'a well-organised plan'

By Clive Wollman in London

THE PURCHASE of 15,000 shares in Pleasurama which led to the resignation or sacking on Friday of three investment banking employees on suspicion of insider dealing appears to have been the product of a well-organised arrangement, rather than of casual conversations between friends.

It emerged yesterday that Ms Cathy Rowlands, a corporate financier employed by Samuel Montagu, telephoned Mr David

Gray, an equity salesman with Morgan Grenfell on the morning before a £250m (\$1bn) takeover bid for Pleasurama was announced by Mecca Leisure.

She confirmed to him in a brief and lightly encoded conversation that the bid from Mecca, a Samuel Montagu client, was going ahead.

The bid preparations were

discussed only behind closed doors in offices of the more senior executives, they say.

Continued on Page 16

Continued on Page 16

Continued on Page 16

Eximbank hit by export surge

By Nancy Dunne in Washington

THE RECENT SURGE in US manufactured exports resulting from the weaker US dollar has caused problems for the US Export-Import Bank.

The agency, which helps provide finance for US exports, has enhanced its capacity to authorise new long-term loans in the current financial year, which ends on October 1.

Mr John Bohm, Eximbank chairman, has warned that applications for loans, combined with the \$600m approved so far this year, substantially exceed the loan authority of \$625m. As a result, he said, Eximbank will only be able to authorise relatively small medium-term loans in its direct loan programme.

A shift away from export financing by commercial bank clients has complicated the problem for US exporters. "While we realise that the sus-

pension of new long-term loans could result in the delay or even the loss of US exports, we hope that the impact will be minimal," Mr Bohm said at the end of last week.

Eximbank has recently reopened its long- and medium-term loan windows to Brazil and its medium-term financing to Nigeria.

But with the funding squeeze, these initiatives are likely to fade, particularly since the direct loan authorisation will only be slightly increased next year.

The bank, meanwhile, has made only sparing use of the highly touted "war chest" meant to combat the practice by Eximbank's competitors of mixing commercial financing and foreign aid.

Continued on Page 16

Continued

Mexican unions accept extended economic plan

By David Gardner in Mexico City

MEXICO'S pro-government trade union leadership has agreed to a three-month extension of the country's stabilisation plan with no wage rises, accepting instead tax cuts and a private sector commitment to lower prices.

The Economic Solidarity Pact, to the anti-inflation plan is known, will thus now run to the end of the de la Madrid administration, leaving the Government free to concentrate on the still raging dispute over last month's presidential and general election results.

The pact, a tripartite agreement among the Government, business and trade unions, has reduced inflation from a monthly rate of 15.5 per cent in January to 1.7 per cent last month. Its main features include a freeze on the exchange rate and the price of the public sector goods and services, correction of the budget deficit, cheaper imports and a voluntary freeze on the minimum wage and on an array of private-sector prices.

Wage-earners, none the less, had already suffered real earnings cuts of around a third when the pact came into force last December, since when the official consumer price index has risen 44 per cent.

To offset this, in the final

Drexel employees made big profit on Boesky deal

By Roderick Oram in New York

A GROUP of employees of Drexel Burnham Lambert, the Wall Street securities firm, profited handsomely from their investment in one of Mr Ivan Boesky's main companies during his heyday as a speculator in takeover stocks.

What should be the final phase of last month's hotly disputed elections opened yesterday when the newly elected Congress began sitting as the Electoral College, with the job of ratifying the results.

Opposition protests across the country preceded this historic session of Mexico's lower house, and were due to continue yesterday with rallies outside Congress.

The current configuration of the new Congress gives the ruling Institutional Revolutionary Party (PRI) a slim majority of 247 against 227 for the combined opposition, divided between 102 for the broad left National Democratic Front (FDN) led by Mr Cuauhtemoc Cárdenas and 95 for the right-wing National Action Party (PAN).

A further 26 seats will have to be apportioned by the Electoral College as its first task since neither the Electoral Tribunal nor the government-dominated Federal Electoral Commission could agree on who had won them.

Brazil's finance minister faces row on budget cuts

By Ivo Daway in São Paulo

BRAZIL'S embattled Finance Minister, Mr Mailson da Nóbrega, was yesterday putting the final touches to an austere 1983 budget that looks certain to provoke a new confrontation with his government colleagues.

Widespread fears of the draft port a drastic reduction in federal expenditure - this year estimated at \$40bn (22.5bn) - by almost 10 per cent through cuts in programmes and subsidies and even possible dismissals of civil servants. Tax rises are also predicted.

The draft also aims to fulfil commitments in Brazil's recent

\$1.2bn foreign debt rescheduling package with commercial bank creditors, to reduce the public sector deficit to 2 per cent of Gross Domestic Product next year.

But the scale of the cuts is thought certain to provoke strong resistance from some senior ministers.

President José Sarney is to examine the budget plan on Thursday. If approval is then reached in the Cabinet, the proposals must proceed to Congress, soon to be equipped under the new constitution with greater powers to amend or throw out the Government's draft.

Debt casts shadow on Latin America polls

Robert Graham reports on the likely electoral impact of a backlash against austerity

THE GUEST list at the inauguration last Thursday of Mr Rodrigo Borja, the new Ecuadorian president, read like a Who's Who of Latin America.

This produced near-farce on occasions with Mr George Shultz, the US Secretary of State, concedingly side-stepping proximity to Dr Fidel Castro, the Cuban leader, and with President Daniel Ortega of Nicaragua being treated as a tourist until Mr Borja was installed and diplomatic relations were promptly re-established with Nicaragua.

The group, including Mr Michael Milken, the controversial head of Drexel's Beverly Hills junk bond operations, invested \$1m in Seemals Corp. It received \$3m when Mr Boesky wound up the company in 1986 after he was convicted of insider trading, according to public records.

Mr Steven Amrein, a Drexel spokesman, said the investment had been made with the full knowledge and approval of Drexel's management.

The company considered the investment no different or less appropriate than others made by a number of major institutional investors in Mr Boesky's arbitrage business.

Drexel stressed that the investment was made on economic grounds and was made with the group members having no knowledge of the stocks in which Mr Boesky specialised.

Some stocks, though, were targets of raiders financed by Mr Milken's junk bond operations or were companies about which Drexel had valuable inside information.

Other Wall Street firms generally have specific guidelines barring employees from investing in securities so closely connected with their business.

The investment was proposed to the Drexel group by Fried Frank Harris Shriver and Jacobson, a law firm representing Mr Boesky.

He had considered winding up Seemals to cut his tax liability on trading profits.

To do so, he required another investor in the company.

The liquidation was subsequently shelved after Seemals racked up trading losses. It was eventually wound up when Mr Boesky settled his affairs after his insider trading conviction.

The principal preoccupation of governments while economic policies (or lack of them) have been the principal cause of popular discontent.

The trend of opinion polls and electoral results in Latin America indicates a substantial popular backlash against austerity policies. This is especially so where governments have been seen to be too closely identified with a combination of the Reagan Administration and the International Monetary Fund.

In Ecuador for instance, the outgoing centre-right government of Mr Leon Febres Cordero saw its popularity heavily eroded by adherence to IMF-imposed economic programmes and what critics called "craven" support for President Reagan's policies.

A more extreme instance is that of Mr Edward Seaga, the Jamaican Prime Minister. He has been an exceptionally loyal US ally, and has relentlessly pursued orthodox austerity policies to cope with declining commodity prices and debt service.

Although he has turned round the economy with considerable success, he is trailing in the opinion polls and seems likely to lose elections, due in November, to his long-time rival, Mr Michael Manley. The latter's return is predicted despite the economic chaos and political violence that surround his final days in office in 1982.

Discontent over the effects of austerity played a part in the swing against the government in July's presidential elections in Mexico. Similar sentiments in Argentina and Brazil explain in large measure the declining popularity of the Alfonso and Sarney governments. The poor track record of the Alfonso government is the biggest single factor behind the erosion of support for the ruling Radical Party and the growing confidence of the opposition Peronists who look likely to win next year's presidential elections.

Undoubtedly, governments will be elected on such a ticket. It happened in Ecuador and could happen for the Peronists in Argentina. But this does not necessarily mean the performance of these governments will match their rhetoric. The room for manoeuvre is limited and a new mood of realism is driving an increasingly common thread in economic policy that embraces an acceptance of a lesser state role, the need to promote exports, the introduction of fiscal reform, and greater stimulus for foreign investment.

Latin American politicians are acutely conscious that Peru, one country which has sought to make a virtue out of restricted debt payments and "heterodox" economic policies, has proved less than luminous.

Indeed, the failure of President Alan García to tackle Peru's economic problems has exposed the dangers of believing in simple nationalistic solutions to the debt crisis. It has also encouraged a conservative backlash which could cost the radical nationalist APRA Party in the 1990 presidential elections.

All these events are carefully monitored and commented upon within Latin America to an unprecedented degree so that what happens in one country has a much broader influence. In this climate, it is significant that the new Ecuadorian president has been notably circumspect in outlining his economic strategy: existing oil exploration contracts with foreign companies will be respected; a new deal will be sought with the country's creditors but not through confrontation; and while disagreeing with aspects of US foreign policy, President Borja wants a proper working relationship.

If this proves the case, and the experience is repeated, it suggests that change in government need not be feared as heralding widely differing policies. The differences will be of degree and emphasis rather than substance, with the most significant factor being that political parties can democratically alternate in power.

Over 33,000 vehicles will be sold in August alone

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OVERSEAS NEWS



SOUTH KOREAN Riot police firing volleys of tear gas broke off a student march to the North Korean border yesterday and arrested and beat scores of protesters, AP reports from Seoul.

About 2,500 students holding red and blue banners tried to march out of Yonsei University in Seoul to go to the border truce village of Panmunjom.

Hundreds of riot troopers in green combat fatigues and black visored helmets blocked students as soon as they started to emerge from the main gate.

Police armoured vans with multiple tear-gas launchers fired scores of tear-gas bombs into the screaming students as a wave of troopers charged the marchers.

Students from North Korea arrived in Panmunjom yesterday afternoon to meet the student delegation from the South, but left two hours later when their counterparts failed to arrive, according to the [North] Korean Central News Agency, monitored in Tokyo.

Mandela illness inspires renewed calls for release

MR Nelson Mandela's illness led to renewed calls yesterday for the black nationalist leader to be released from a South African prison, Reuters reports from Cape Town.

Mr Mandela, the 70-year-old African National Congress (ANC) leader who was jailed for life in 1964 for plotting to overthrow white rule, was rushed to a Cape Town hospital on Friday for treatment of an inflamed left lung.

Tygerberg hospital, where Mr Mandela is being treated under police guard, said yesterday that he was "very satisfactory." Doctors have ruled out cancer as the ailment.

The liberal Argus newspaper urged Mr Mandela's release in an editorial, saying his illness gave the Government "a rare opportunity

to... make a gesture of goodwill which could go a long way towards bringing the country closer to a rational and negotiated solution to its problems."

The illness had highlighted the risk that Mr Mandela might die in prison, a prospect the Government wanted to avoid.

Ms Helen Suzman, the veteran liberal Member of Parliament, told the Cape Times newspaper that she hoped that the Government would take the opportunity to release Mr Mandela.

Mr Wynand Malan, leader of the liberal National Democratic Movement, appealed to Pretoria to release Mr Mandela unconditionally, saying he had been in prison longer than a normal prisoner serving a life sentence.

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Houses do not have their own latrines so that common latrines have to serve more

than 3,000 people. An open space, that was once a playing field, has become a slum in which pigs now among the rubbish.

Periodically Delhi's failure to come to grips with the magnitude of its social problems takes its toll in an outbreak of epidemics. This year has seen one. Heavier-than-normal monsoon rains after years of drought have brought cholera and gastro-enteritis in their wake in the poorer quarters of the city.

More than 250 people have died in the city and a further 25,000 cases reported to hospitals. Doctors fear that typhoid and hepatitis, also caused by bad drinking water and bad sanitation, could surface as well.

At Trilopuri - so far not as badly hit by the epidemic as some other slums - a crowd quickly takes a visitor to a house where a healthy child of one and a half died suddenly last month after vomiting and diarrhoea. The mother, who has a family of five and seems ambivalent about the child's fate, tells her story with a smile.

Dr Khan says he has treated 100 cases since the beginning of July. On a bed in his clinic lies an 18-year-old girl, suffering from severe dehydration and being administered a glucose and saline drip.

But in the confusing web of truth and half-truth in India, a doctor at the nearby government dispensary flatly denies that there has been cholera in

Runcie appeals to Iran over British hostages

By Tony Walker in London

DR Robert Runcie, the Archbishop of Canterbury, has called on Iran to exert all its "undoubted influence" in Lebanon to secure the release of an Iranian official. "As to whether anything is going to happen quickly, I am rather more cautious."

However, Mr John Lytle, a Church of England official, cautioned against expecting rapid progress towards the early release of the three Britons believed to be held by Iranian-backed groups in Lebanon.

"I am optimistic that he

(Waite) is alive and that the other British hostages are alive," Mr Lytle said after a further meeting with an Iranian official. "As to whether anything is going to happen quickly, I am rather more cautious."

Statements by church representatives follow intense official and unofficial diplomatic consultations in London and Tehran. A spokesman for Dr Runcie said yesterday that relations between Britain and Iran had "considerably

improved" recently.

Dr Runcie had a meeting on Sunday with Mr Mohammed Reza Mohammadi, an Iranian Foreign Ministry official, during which the hostage issue was discussed.

Britain's three hostages, among 18 foreigners believed held in Lebanon, are Mr Waite, who was kidnapped early last year, Mr John McCarthy, a journalist, and Mr Brian Keenan, a teacher, both of whom were seized in 1987.

PLO-Jordan talks end

By A Special Correspondent in Amman

THREE days of talks between a Palestine Liberation Organisation delegation and Jordan have ended amicably, according to Jordanian and PLO officials. The two sides met in Amman to review the implications of King Hussein's decision of July 31 to relinquish responsibility for the occupied territories to the PLO, as the sole, legitimate representative of the Palestinians.

The PLO complained that it was not consulted about the move which threatened to cut a lifeline Amman had provided to many of the 1.2m Palestinians living in the West Bank and Gaza Strip. About 20,000 Jordanian employees in the occupied territories were laid off after the King's announcement.

However, after their talks, which included meetings with both King Hussein and Prime Minister Zaid Rifai, a PLO official said his delegation was relieved that Jordan had "promised to continue day-to-day services to West Bank residents."

No statistics were immediately available, but tourism to Iraq, rich in archaeological sites dating back at least 6,000 years, has been badly affected by the conflict.

The growth in both was only slightly smaller than in 1986-87, when gross debt rose 14.5 per cent and net debt 10.6 per cent. But this occurred as the Australian dollar was strengthening rather than weakening as in 1986-87, and the figures confirm there is still some way to go before the growth in debt levels out.

The figures, for the fiscal year ending in June, were released yesterday and came one week ahead of the annual budget. The Labor Government headed by Prime Minister Bob Hawke is hoping the debt-to-GDP ratio will stabilise at around 32-33 per cent.

An OECD report published earlier this month said this would require a halving of the nominal current account deficit to around 3 per cent of gross domestic product.

ment colonies were put up under the initiative of Sanjay Gandhi, the Prime Minister's older brother who died in an airplane crash, during the Emergency in the 1970s.

In a simplistic and high-handed style he set out to beautify central Delhi by bulldozing its slums. Those displaced were offered plots of land in what were called the "resettlement" colonies east of the Jumna. But without adequate drains, water supply or other amenities, they quickly became slums themselves.

With an election coming up, the Government is sensitive to charges that it has neglected the area. It is the prospect of losing further votes that could prompt the Government to more long-term measures.

The target has been to ensure that there will never be a failure of both engines in a twin-engined aircraft, and that in the event of one engine failing, the aircraft could still fly long enough on its remaining engine to reach a safe diversion airport.

From an original limit of 90 minutes for such "single-engine cruising", the US Federal Aviation Administration, the UK Civil Aviation Authority and other regulatory bodies, have subsequently increased it to 120 minutes.

This means that 757s and even 737s can now fly non-stop across the North Atlantic between Europe and the US safely, and several major airlines are using them in this way.

It has already generated a new demand for 757s in particular, but this could be boosted further when the regulatory bodies raise the Europe limit further from 120 to 180 minutes, probably by next January.

This will clear the 757 (and its bigger stable-mate the 767 and other large twin-engined jets, such as the Airbus A-300s and A-310s) for many other long-distance over-water routes.

The result is bound to be an upsurge in demand for the 757. This is why the new Rolls-Royce/GPA Group plan is based specifically on the "extended range" version of the 757.

Swiss watch exports up 19% to first-half record

By John Wicks in Zurich

EXPORTS by the Swiss watch industry reached a record in the first half, according to the trade association federation Horologer Suisse. Despite the continued strength of the Swiss franc, foreign sales rose 19.1 per cent over the corresponding 1987 period to SFr2.31bn (f255m).

This increase reflected a marked rise in unit value. Exports of finished watches thus went up by only 6.1 per cent to 13.1m and those of movements by 7.1 per cent to about 6m, while corresponding sales values improved by 19.3 per cent and 12.1 per cent.

In the six-month period, Hong Kong passed the US as the main single foreign market for the Swiss industry. In value terms, sales to the crown colony increased by over 40 per cent to SFr426.3m, while those to US customers dropped 5.7 per cent to SFr324.8m.

At the same time, Swiss tourism reports a decline in custom for the first half of 1988. Hotel occupancy fell by 2.5 per cent for the year to 16.2m, and in June were lower by as much as 5 per cent than the 1987 figure.

This was due to falls in overnight stays of 1.6 per cent by Swiss and 3 per cent by foreign guests. Only visits by Italians showed an increase in the first half; the number of occupancies by US residents dropping by as much as 16 per cent.

Fear of cholera stalks Delhi resettlement slums

David Housego reports from the Indian capital on the costs of a lack of piped water and sewerage

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than 3,000 people. An open space, that was once a playing field, has become a slum in which pigs now among the rubbish.

Periodically Delhi's failure to come to grips with the magnitude of its social problems takes its toll in an outbreak of epidemics. This year has seen one. Heavier-than-normal monsoon rains after years of drought have brought cholera and gastro-enteritis in their wake in the poorer quarters of the city.

More than 250 people have died in the city and a further 25,000 cases reported to hospitals. Doctors fear that typhoid and hepatitis, also caused by bad drinking water and bad sanitation, could surface as well.

At Trilopuri - so far not as badly hit by the epidemic as some other slums - a crowd quickly takes a visitor to a house where a healthy child of one and a half died suddenly last month after vomiting and diarrhoea. The mother, who has a family of five and seems ambivalent about the child's fate, tells her story with a smile.

Dr Khan says he has treated 100 cases since the beginning of July. On a bed in his clinic lies an 18-year-old girl, suffering from severe dehydration and being administered a glucose and saline drip.

But as the numbers grew, the authorities plunged into a frenzy of activity. The Lieutenant-governor of Delhi was

Trilopuri itself. She accuses the private clinics of exploiting the epidemic for private gain.

"This is the time for them to make money," she says. "People are very scared of cholera. The government dispensary is the only one for a local population of 100,000 - but seems half deserted compared with some of the private clinics.

In time-honoured fashion, the Government's first response was to make believe that the phenomenon had never happened. The World Health Organisation is still irritated with India for failing to report the cholera outbreak officially.

But as the numbers grew, the authorities plunged into a frenzy of activity. The Lieutenant-governor of Delhi was

sacked. Mr Rajiv Gandhi, the Prime Minister, visited Nand Nagri, the area worst affected, and ordered the garbage to be collected off the street in three days.

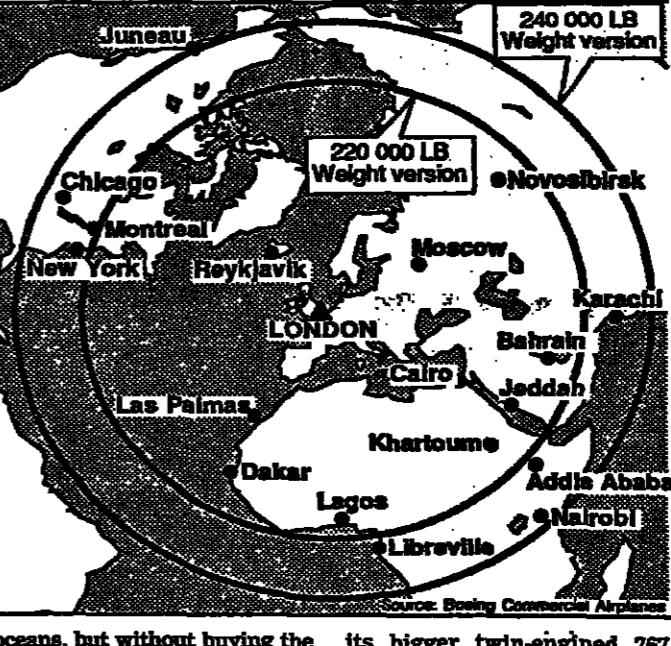
All this has had some effect - not least at a psychological level in reassuring people that the Government is doing something. But the response does not match the scale of the problem. At Trilopuri last week, fresh water was being delivered by truck. But the truck carried an amount that was only sufficient for the houses closest to the main road. And the driver admitted that he had failed to turn up the day before.

The root of the housing and sanitation problem lies in the haste with which the resettlement colonies were put up under the initiative of Sanjay Gandhi, the Prime Minister's older brother who died in an airplane crash, during the Emergency in the 1970s.

In a simplistic and high-handed style he set out to beautify central Delhi by bulldozing its slums. Those displaced were offered plots of land in what were called the "resettlement" colonies east of the Jumna. But without adequate drains, water supply or other amenities, they quickly became slums themselves.

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757-200 (186 passengers) Range capability from London



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From an original limit of 90 minutes for such "single-engine cruising", the US Federal Aviation Administration, the UK Civil Aviation Authority and other regulatory bodies, have subsequently increased it to 120 minutes.

This means that 757s and even 737s can now fly non-stop across the North Atlantic between Europe and the US safely, and several major airlines are using them in this way.

It has already generated a new demand for 757s in particular, but this could be boosted further when the regulatory bodies raise the Europe limit further from 120 to 180 minutes, probably by next January.

This will clear the 757 (and its bigger stable-mate the 767 and other large twin-engined jets, such as the Airbus A-300s and A-310s) for many other long-distance over-water routes.

The result is bound to be an upsurge in demand for the 757. This is why the new Rolls-Royce/GPA Group plan is based specifically on the "extended range" version of the 757.

NEC 'seeks entry' into US computer chip project

THE world's biggest commercial manufacturer of computer chips, NEC of Japan, wants to join forces with a US Government project, known as Sematech, designed to save the US semiconductor industry, the New York Times said yesterday. AP-DJ reports from New York.

One of the big complaints is that the bill appears to shift the emphasis away from export control by individual countries to import control by the US.

NEC has not yet made a formal appeal to participate in Sematech, but it has made its interest known in the industry, the Times reported. NEC's interest in joining the project, however, is well-timed, as the Reagan Administration in recent months has complained that too much US technology flows out of the US to Japan, with not enough coming back, the Times reported.

Both ITT and NEC have already completed connection agreements with British Telecom for providing service to the UK. The two plan to begin operations next spring.

Taiwan makes late decision to open power project to international tender

By Bob King in Taipei

MUCH TO THE chagrin of American suppliers, Taiwan has decided at the last hour to open to international tender the second of three major contracts for the Mingtan Pumped Storage Project.

This means that in principle European suppliers now stand a good chance of winning a second major contract worth around \$100m, for the power project's pumps and motors.

Taiwan had originally told the US that bidding on major contracts would be limited to US suppliers as part of a programme to reduce its huge trade surplus with the US.

But Taiwan had decided to open the bidding to suppliers from countries other than the US because it had decided equipment from American suppliers

did not meet its specifications - a claim that drew a short of derision from one American trade source. "Try telling that to Westinghouse or General Electric," he said.

European companies have in recent months stepped up their lobbying efforts in a bid to be included in bidding for major contracts, which had previously been the private domain of US suppliers.

The local press has on more than one occasion quoted Taiwan government officials as questioning the wisdom of an across-the-board "buy American" policy, alleging that such a policy might not provide Taiwan with the best equipment at the best price.

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has been restructured and recapitalized by

an investor group led by **A. Robert Abboud** and **Donaldson, Lufkin & Jenrette** in a transaction that represents the largest recapitalization of a U.S. bank by private investors.

We structured this transaction, assisted in the negotiations, acted as financial advisor to the **The Abboud Group** and committed to provide \$250 million of bridge financing.

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August 16, 1988

This announcement appears as a matter of record only.

\$225,000,000

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2,450,000 Shares
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We arranged the private placement of these securities.

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This announcement appears as a matter of record only.

\$275,000,000

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FIRST CITY BANCORPORATION OF TEXAS

13,005,198 Shares
Common Stock

We arranged the private placement of these securities.

Donaldson, Lufkin & Jenrette

August 16, 1988

UK NEWS

Importers claim bigger slice of car sales boom

By John Griffiths

A RECORD 300,000-plus new cars have been sold in Britain during the first 10 days of August, surpassing even the most optimistic motor industry predictions.

The boom, however, is being accompanied by an unprecedented surge in imports at a time when increasing concern is being voiced about the UK's growing trade deficit.

Nearly 60,000 more imported cars were registered during the first 10 days of the August sales than in the same period a year ago.

They lifted total import sales for the 10-day period to 150,932, well in excess of the 122,314 supplied from UK factories.

However, it is the increasing share of total sales taken by imports which is expected to be of particular concern to government officials. Imports accounted for 59.6 per cent of the first 10 days' sales in August this year, compared with 54.5 per cent last year.

August has a particularly heavy influence on the UK sales figures because it is the launch month for the annual registration number prefix.

More than 20 per cent of the year's sales are made at this time.

The rise in imports represents a further reversal of the short-lived progress the UK industry had been making towards increased market penetration up to the end of 1987.

In the first seven months of

In Brief

Rolls-Royce wins £20m BA repair contract

Rolls-Royce has won a five-year contract to repair and overhaul the Spey engines which power British Airways' fleet of BAC 1-11 short-haul aircraft. The work on the contract, worth more than £20m, will be carried out at Rolls-Royce's plant at East Kilbride, in western Scotland. The contract will make BA the largest commercial engine customer of the East Kilbride plant.

Miners vote for strike
Five hundred workers at the Butterwick opencast mine in Morpeth, Northumberland – one of Britain's biggest opencast coal sites – voted to stage a series of one-day strikes over a bonus dispute. The miners say they will go on a full strike if a settlement is not reached in three weeks.

NUT attacks Baker
More than a quarter of the £21m allocated by the Government for in-service teacher training for 1988-89 will be set aside to prepare teachers for reforms in education. However, the National Union of Teachers attacked Kenneth Baker, Education Secretary, saying the allocation was not enough.

£250m deal for sub lift
An order worth £250m to supply shiplifting equipment for the Faslane submarine base on the Clyde has been won by North Sea Shipbuilding Industries (Nesi), so-called Syncrolift will be used to handle loadings of Royal Navy submarines, including the latest nuclear-powered Valiant Class Trident missile submarine.

Scrap merger agreed
United Engineering Steels (UES), Sheffield-based special steels maker and the J Saville Gordon Group are merging their ferrous scrap businesses into a joint venture company. The business will have estimated sales of 200,000 tonnes of scrap valued at £12m. UES is paying £1.35m for its 50 per cent stake in the new joint venture and J Saville Gordon is paying £150,000 for its share.

ing the executive a mandate for organising industrial action. The turnout represents more than a half of the UCW's Post Office membership.

The UCW is angry because it

says the Post Office decision to

new starters in areas of low

recruitment breaks an hours

and productivity deal signed

last year.

Mr Alan Tiffin, general sec-

retary of the Union of Com-

munication Workers, made the

threat when he announced that

union members had voted by

48,000 to 23,000 in favour of giv-

ing

UK NEWS

IRA fights the propaganda war

Kieran Cooke reports on a deadly change in guerrilla tactics

THE IRISH Republican Army likes to carry out its deadly campaign in short, sharp bursts of activity. The security forces have learned to read the signals. For weeks, maybe months, all is relatively quiet. Then, suddenly, the bombs and bullets are unleashed and the deaths mount. Afterwards, the IRA goes to ground again.

This tactic has been repeated, with devastating effect, several times in recent weeks. An army barracks in London was blown up, killing one soldier. Three off-duty Royal Air Force men were shot dead in Holland. There have been bomb attacks on army targets in West Germany and, last weekend, a soldier going to Britain, on leave from his base in West Germany, was shot dead at point-blank range while waiting at a traffic light in Ostend, Belgium.

The IRA is acutely aware of the propaganda value of such attacks. The image of the IRA as a wide-ranging, multi-headed organisation, capable of striking at targets anywhere, at any time, is reinforced.

Attacks and murders of military personnel in Britain or on the continent make bigger headlines and more publicity than the almost daily toll of

shooting, bombing and killing in Northern Ireland itself. But perhaps most importantly from the IRA's point of view, the attacks of recent weeks bolster its position among sympathisers back in Northern Ireland.

Morale within the Republican movement was at an all-time low earlier this year. Last May eight IRA "volunteers" were shot dead by the Special Air Service (SAS), an elite military unit, while attacking a remote police station at Loughall in Northern Ireland. It was the biggest loss of life the IRA has suffered since the Irish civil war of the early 1920s.

In March, three IRA members were shot again by the SAS, while planning a military bombing in Gibraltar.

The IRA is a tightly-knit, cellular organisation with only about 50 or 60 full-time members. In the past 18 months it has lost more than 20 "volunteers," many of them highly-experienced in guerrilla warfare.

There has also been a series of botched operations, including the bombing at Enniskillen last November in which 11 civilians were killed, and the murder of a family of three on the main Belfast to Dublin road last month.

Mr Gerry Adams, the leader of Sinn Fein, the IRA's political

wing, said the organisation had to "put its house in order" or "confidence in the IRA's ability to pursue its war in a proper way" would evaporate.

The IRA now believes it has transformed the situation. This year the IRA has killed 13 regular army soldiers in Northern Ireland and 10 members of the Ulster Defence Regiment (UDR), a part-time military force. This compares to three army and 13 UDR deaths in the whole of last year. There have also been the military deaths on the Continent and the soldier killed in the bombing at Inglis barracks in London — the first successful IRA strike on the British mainland since the Brighton hotel bombing in 1984.

The IRA has made it known that it regards any part of what it calls "the Crown Forces" as a legitimate target. It includes those who help or are seen to assist the security forces.

It has warned people not to associate with the British army. "We reiterate our call to civilians and families of soldiers not to travel with Crown Forces personnel," said an IRA statement.

Mr Adams believes such actions are understood by many in the nationalist community in Northern Ireland.

The IRA also feels it is winning another propaganda battle on the British mainland. Mr Danny Morrison, publicity director of Sinn Fein, said: "If the fatality rate of British soldiers rises, then the Troops Out sentiment rises in Britain and the closer we come to a resolution."



Devastation of a Belfast pub, destroyed by an IRA bomb blast

Manchester Canal shares suspended after buyout move

By Ian Hamilton Fazey, Northern Correspondent

MR JOHN WHITTAKER, who controls the Manchester Ship Canal Company (MSC), yesterday attempted to buy out the rest of the company's shareholders for £24.6m, but was repulsed by Mr Nicholas Berry, the former MSC chairman, who leads them.

MSC shares were suspended yesterday after it was told that discussions were taking place that might lead to an offer for the company.

Mr Berry revealed from his holiday home in central France that the bidder was Great Hey Investments, Mr Whittaker's own company already owns 43 per cent of MSC ordinary shares and 80 per cent of the preference shares. Great Hey has at least 57 per cent of the voting rights by virtue of MSC's complicated weighted voting structure.

The offer was £20.70 for each ordinary share and £3.30 for each preference share, valuing the company at £120m. The prices at the time of suspension yesterday were £15 and £4.50 respectively, giving a market capitalisation of only £75m.

In spite of the premiums offered, the bid has been

rejected outright by the minority shareholders, including Mr Berry himself, the Harrap publishing group — which he chairs — Prudential Assurance, Globe Investment Trust, the Water Authorities Pension Fund, the Carroll Group and the Smaller Shareholders Protection Association, which represents about 1,000 people.

Mr Berry said that a planning decision was likely soon for a 1m sq ft retail complex on 300 acres of MSC land at Barton Dock, within the Trafford Park Development Corporation boundary and adjacent to an extensive motorway network in the north-west of England.

The minority shareholders believe that if this was approved, about £150m would be added to the value of the company and the ordinary shares would be worth as much as £50 each.

Mr Berry said that the institutions would sell only to Mr Whittaker now if a share warrant were issued guaranteeing them more money later if the Barton Dock development went ahead.

Mr Whittaker won control last year after a bitter, nine-month takeover battle.

Coca Cola refuses union recognition

By Philip Basson Labour Editor

COCA-COLA has told the TGWU, transport workers union that it is not granting recognition at two new distribution depots, which are at the centre of the industrial action now taking place against the company.

TGWU leaders believe this means that Coca-Cola and Schweppes Beverages, the joint UK-US soft drinks company, may be set on one of two courses. It may intend to operate the two new plants without trade unions — even though the rest of the company is unionised — or to do so only on the basis of a single-union agreement with a "tight no-strike clause".

The AEU engineering union has signed a no-strike clause for the company's 650m bottling plant at Wakefield, West Yorkshire.

The TGWU said last night that Coca-Cola had made it clear that it does not intend to include the two new depots at Enfield and Northampton within the long-standing national agreements on terms and conditions.

Editorial comment, Page 14

One of Germany's contributions to uniting the nations.



De Savary group bids for Devon shipyard

By Kevin Brown, Transport Correspondent

MR PETER de Savary's maritime industries group, Highland Participants, emerged yesterday as the probable purchaser of British Shipbuilders' Appledore yard, in north Devon.

The Department of Trade and Industry (DTI) said Highland was one of two companies which had made a detailed offer for Appledore. The shipyard is being sold as part of the break-up and privatisation of British Shipbuilders.

The other company is Langan Industries, a Dorchester-based company which manufactures marine propellers, aerospace parts and other engineering equipment.

British Shipbuilders and the DTI said preference will be given to bidders with shipyard experience.

Highland has a substantial ship repair yard at Falmouth Docks, Cornwall, which it plans to operate in tandem with Appledore.

Ministers are believed to have been impressed by Highland's success in turning round the Falmouth yard, which was losing around £100,000 a month when it was acquired in October.

The yard is now thought to be making profits of around £100,000 a month, and the workforce has doubled to more than 700.

Mr de Savary said the two yards would benefit from substantial economies of scale under common ownership.

The acquisition of Appledore would also ease a shortage of skilled labour in Falmouth, where Highland has had to bring in experienced workers from the north east to fill vacancies.

The Appledore bid follows a hectic six months for Mr de Savary during which his three main vehicles, Highland, Land Leisure and the Littlecote group, have been completing a chain of acquisitions.

Seamen's union regains assets

By Charles Leadbitter

THE FINAL act in the Dover seafarers' dispute, which started in the first week of February over plans by P&O, the ferry company, to change working practices, was perhaps played out yesterday when the National Union of Seamen regained control of its assets.

The assets, worth about £2.8m, were sequestered on May 3 after a series of legal actions brought by P&O, and its main competitor Sealink, over the union's illegal secondary action in support of the Dover strikers.

The union was found in contempt for ignoring earlier injunctions banning it from secondary action.

Mr Justice Michael Davies, ordered on July 25 that the assets should be returned after three weeks' "probation".

The true costs of the dispute are yet to be counted. The union owes about £1m in court fees, and legal costs. It has investments worth £1.45m, about £1.3m in land and buildings, with about £150,000 in vehicles fixtures and fittings.

At the end of the week P&O is likely to have its fleet of 11 Dover ferries back in service, with the relaunch of its Dover to Boulogne sailings.

The company's half-year results, due in mid-September, will reveal the impact of the dispute on its revenues.

Yet even after seven months of industrial trench warfare, there seems to be little prospect of even a limited reconciliation.

The company said it had no plans to offer redundancy payments to those it dismissed. Union officials said the dispute would continue, even though a TUC hardship fund has collected only a third of its target of £1m.

Paradoxically the return of the NUS assets may herald the union's final demise. The sequestration delayed a ballot on whether the union should take part in a merger.

 Lufthansa

FINANCIAL TIMES TV AND POSTER ADVERTISING

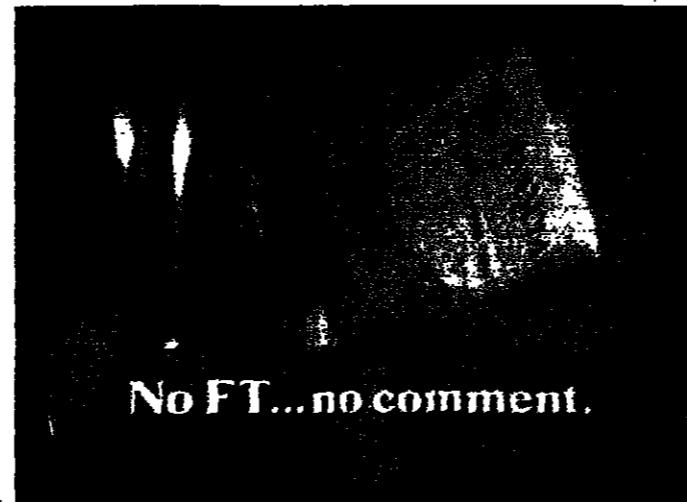
FT...comment 1981-1988

Into a black and white world is born the man with nothing to say . . .



1981

... hiding behind coffee cups . . .



1982

No FT...no comment.

left behind when others move on . . .



1981

without even the sense to come in out of the rain . . .

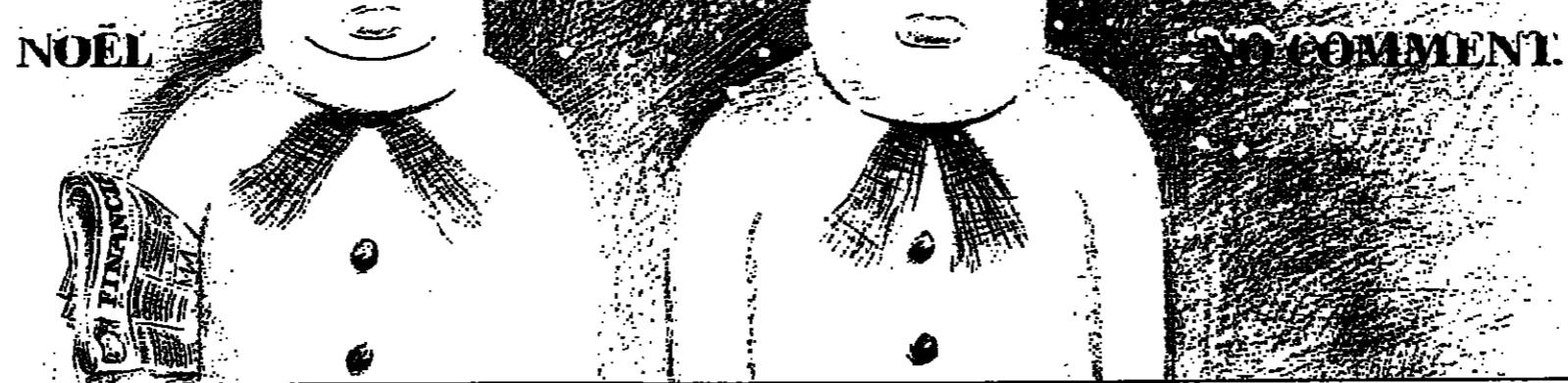


1982

No FT...no comment.

stranded in the middle of nowhere . . .

CHRISTMAS 1983



... dumbstruck even on the most festive occasions . . .

1983



... unable to reach the high spots . . .

1983 ELECTION

F or R

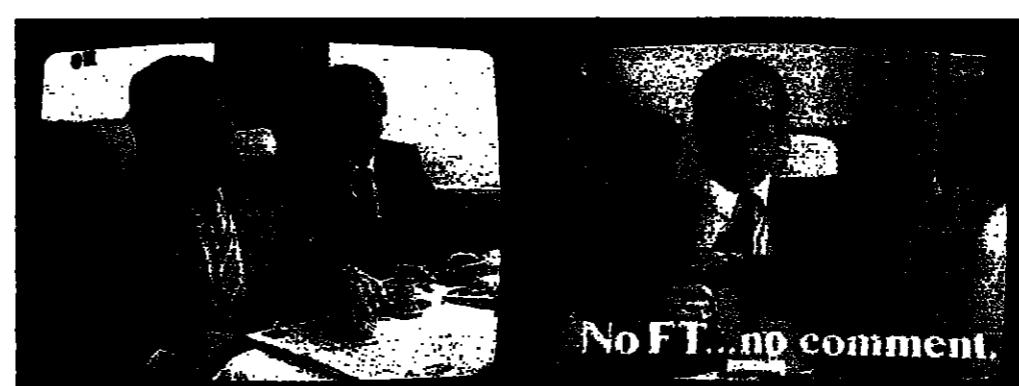
No FT...no comment.

... pick a winner . . .



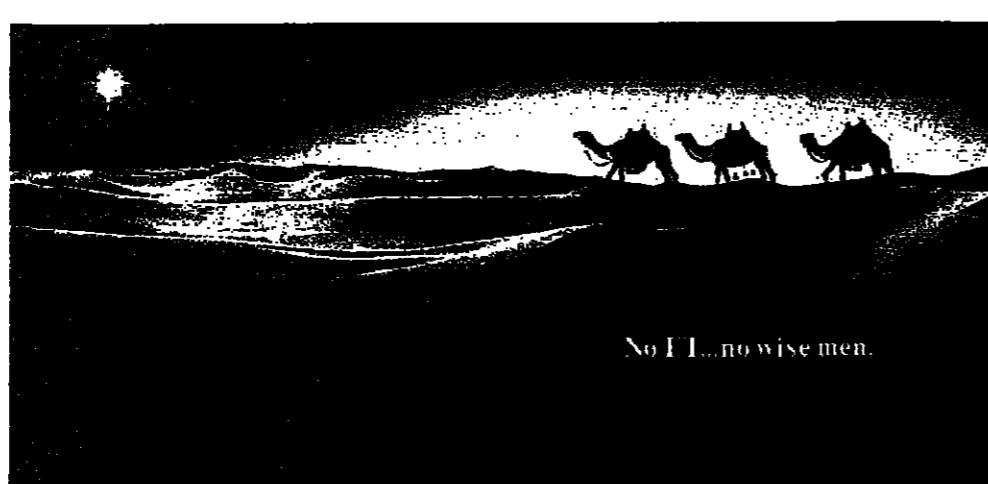
1983

... or learn the ABC of success . . .



No FT...no comment.

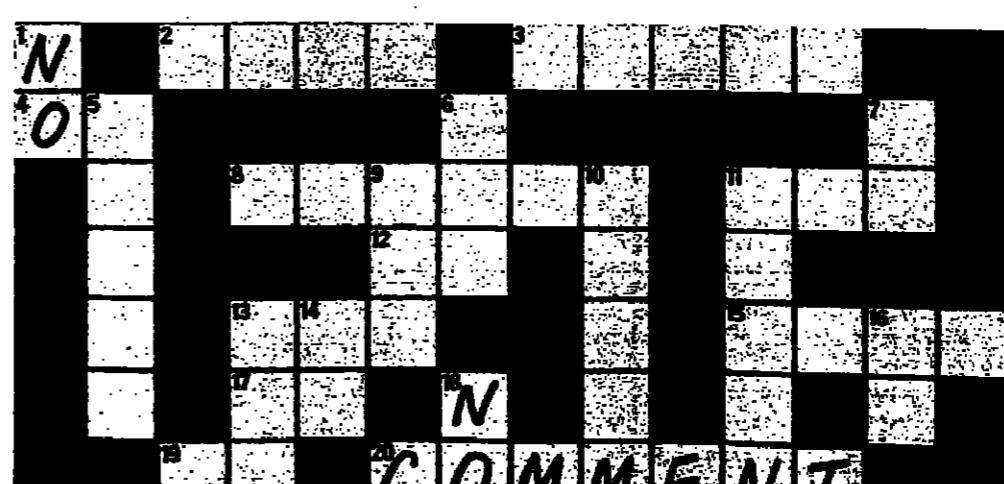
... he is going nowhere . . . fast.



No FT...no wise men.

CHRISTMAS 1984

Star-struck . . .



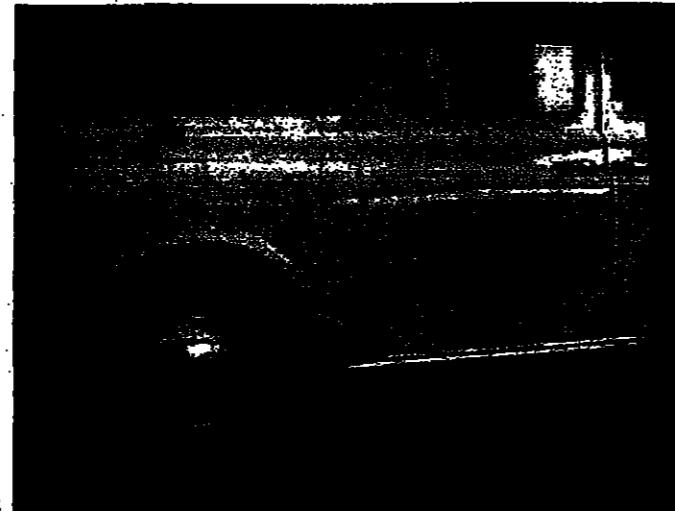
... but puzzled . . .

1984

**RFACTAFTER
FACTAFTER
ACTAFTERFA
CTAFTERFAC
TAFTERFACT**

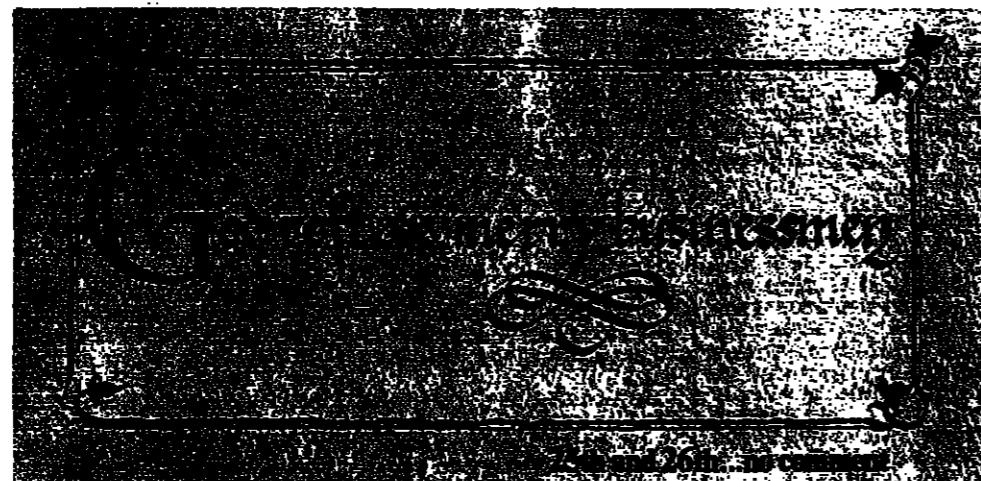
1985

... he is willing to look facts in the face . . .



1985

soon he's riding with the others . . .



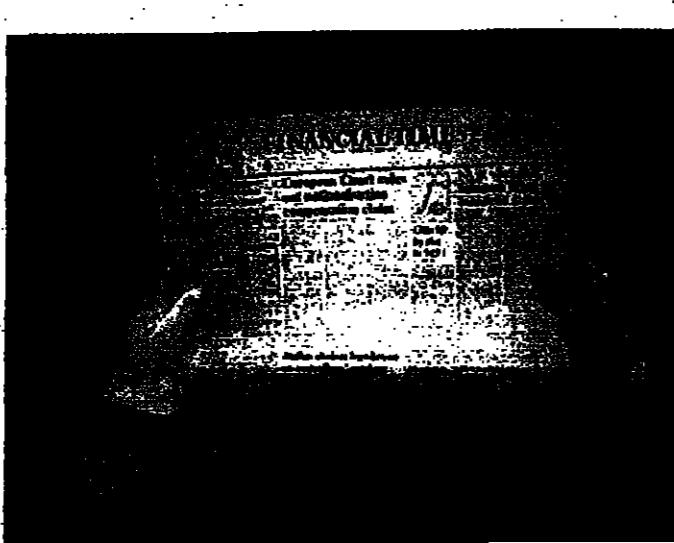
CHRISTMAS 1985

... relaxed . . .

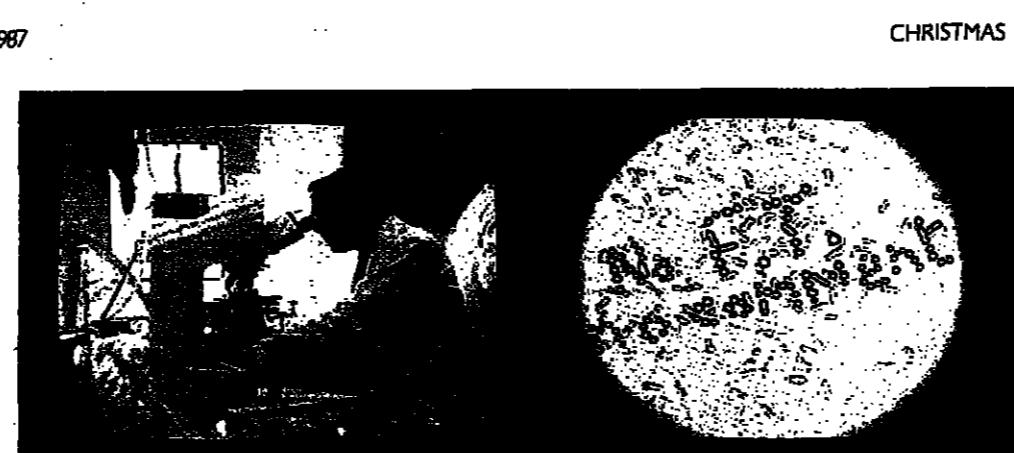


CHRISTMAS 1986

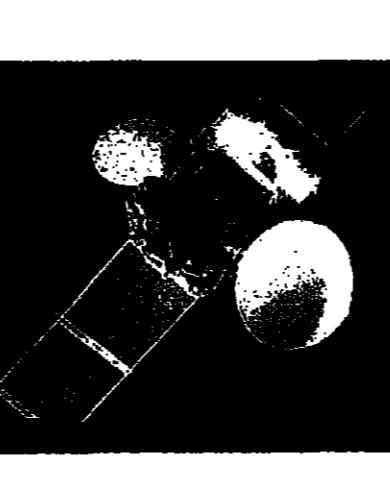
Now he has a nest egg . . .



a firm grip . . .



... on the future . . .



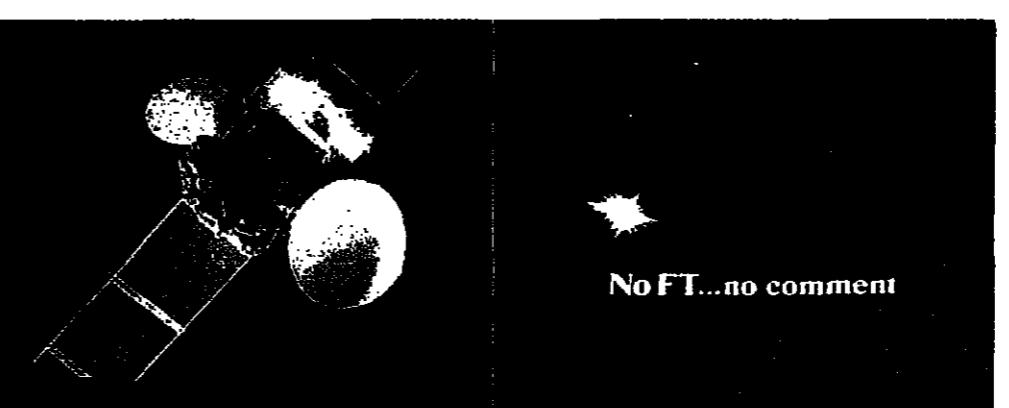
1986

... seeing in his stars . . .



1986

... freedom . . .

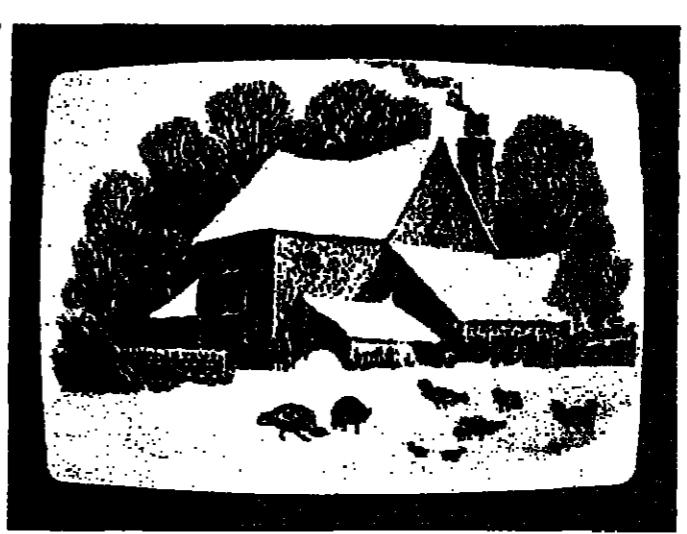


No FT...no comment

1986

... a place in the world . . .

CHRISTMAS 1987



... and will live happily ever after.

In 1981 the Financial Times with our advertising agency Ogilvy & Mather produced a new advertising campaign. The theme was No FT... no comment.

This phrase has now become part of the language. On these pages we show

how the campaign has developed over the last seven years.

Today FT Comment is an important part of the business day in some

150 countries around the world. Printed in London, Frankfurt and New York

the FT enjoys the highest circulation in our history.

No FT...no comment.



MANAGEMENT: Small Business

Venture capital

From mega egos to recalcitrant disks

Charles Batchelor on problems faced by potential backers

One enthusiastic entrepreneur has created an unusual problem for Peter Smitham and his fellow executives at Schroder Ventures, the venture capital arm of the Schroders banking group. The businessman has sent in a copy of his business plan on floppy disk and, try as it might, Smitham's team has been unable to put it through its computer.

Pam Scholes, another Schroders partner, is gloomy. "The last time we had something on floppy disk it consisted of pictures of Charlie Chaplin, not a plan."

Recalcitrant disks are not the only problem confronting the four-person Schroders team as it works through its regular Monday review of deals under consideration.

Someone has sent in a 1½-inch thick business proposal which includes details of the size of the petty cash float and the salary he will pay his clerks but neglects to mention the state of the market he is hoping to penetrate. This seems destined to join the hundreds of rejected business plans filed away in the basement of Schroder Ventures' offices in London.

"We like people to write something down, even if it is only a two-page list of questions, to show us they have thought the proposal through," says Smitham. "But we don't want them to spend six months getting their accountants to draw up a 100-page business plan. It will be a sanitised version of their ideas and it won't let you see the man who is behind it. What we look for is personal motivation, intellect and ability."

It may be difficult for the frustrated entrepreneur, who has spent months trying to raise funds for his project, to sympathise with the problems facing venture capitalists. To those would-be entrepreneurs, they appear to hold a position of enormous power, picking the cherries from the small business cake, Schroders, like

many of its rivals, turns down 49 in every 50 proposals.

Nevertheless, watching the Schroders team working its way through nearly 40 pages of proposals, divided into active, passive or dead according to the likelihood of a deal resulting, gives some idea of the problems they face, and of how the entrepreneur might get his or her proposal nearer the top of the pile.

Schroders is just one of the 120-odd UK venture capital groups. Since it was set up three years ago it has raised two venture capital funds - of £25m and £80m respectively - and a £75m management buy-out fund for investment in Britain; it also manages several overseas buy-out funds.

Like many UK venture capital groups Schroders puts large sums into buying out - which represent less of a risk than the smaller start-up company - but it also invests across the entire range of venture capital opportunities.

The individual entrepreneur may not be convinced about this proposal but wants to stay in touch on the off-chance that something comes of it.

However, the main problem with the electronic proposal is not the idea itself but the man behind it. "Most of the people we deal with have fairly big egos but this man was in the stratosphere," says Barry Minton, another Schroders partner.

"How do you stimulate the budding entrepreneur?" asks Smitham. "We have to catch people aged 30 to 40 before they have achieved too comfortable a life-style from their existing employment.

"We don't expect them to be able to do everything and we don't expect them always to have succeeded," he explains. "What we are looking for is a match between the idea and the ability of the individual."

When a businessman obviously lacks a particular management skill the venture capitalist will try to put him together with a manager with complementary abilities.

A frequent weakness of technology-based proposals is that they come from engineers with scant appreciation of the need for broader business skills.

"You would be surprised at the number of engineers who say marketing or finance are just common sense," says Smitham.

One businessman who has approached Schroders with a proposal is still weighing up whether he would earn more over the next five years from his present job than he could earn on his own. Smitham says he would be keen to back the man "but it's not our role to persuade people to start up in business. They have to decide that for themselves."

Some people come in with completely unrealistic proposals, unrelated to their abilities or skills. One man put forward a plan to design a new engine despite the fact that he had never worked with engines.

Another has an idea for a piece of electronic equipment which looks plausible but which would involve competing with the giants of the electronic industry in volume manufacturing.

The Schroders team members are not convinced about this proposal but want to stay in touch on the off-chance that something comes of it.

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upon which the businessman has put a completely unrealistic value. Entrepreneurs counter that venture capitalists are after the minimum equity stake in return for the minimum capital investment.

Barry Minton has been looking at one business which its owner values at £10m but which Minton believes is worth £2m. "There is a rather wide gap," he comments dryly. This problem is particularly acute in financing start-ups. "It is difficult when you don't have a business to value," says Jon Moulton, Schroder Ventures' managing partner.

Some proposals, however sound, may not be suitable for venture capital finance because the venture would not grow quickly enough to provide the high returns to the owner. After he had left, the managers asked us why we wanted to help them if the position was so bad."

"It is difficult for managers to disparage their own business," says Minton. "On one deal we pointed out the weaknesses of the business to the owner. They may come back later with an idea that is backable or they may pass on useful contacts.

For many businessmen, what they are seeking from a venture capital backer is moral support as much as money.

People get very lonely running a business. They want someone to talk to," says Minton.

Entrepreneurs who realise that the venture capitalist can offer more than money are rare, complains Minton. "Very

few managements come in and ask what we can do for them, what our skills are and what we can contribute."

He says he was pleasantly surprised, however, when one businessman wanted to check references with the technical directors of two of the companies Minton had managed before going into venture capital. This allows the venture capitalist to make a selling point of his own particular expertise and to distinguish himself from the many other groups offering funds.

Businessmen who are turned down must insist the venture capitalist tells them why, says Moulton. One entrepreneur left with a buy-out proposal having already negotiated the outlines of a deal with the venture capitalist group puzzling over the information that it was "backing the Gowers not the Bothams" but unsure as to what two former British cricket captains had to do with his business.

It is in the venture capitalist's own interest to remain on good terms even with the people he turns down, says Moulton. They may come back later with an idea that is backable or they may pass on useful contacts.

There may be even more pressing reasons for letting people down gently. Peter Smitham detects clear signs that the rate of enquiries from entrepreneurs and managers is slowing down. The venture capital industry may have to market itself more aggressively in future. This could also mean that fewer business plans end up in the basement "morgue".

Building mutual benefit

Charles Batchelor on Third World small business development

assistance, thus improving the social and political climate.

Small firms can supply raw materials, components and services to the large corporations. In Sri Lanka the Ceylon Tobacco Company (part of BAT Industries) designed a fine which burned locally-cut wood more efficiently, could be made by local metalworkers and used by the smallholders in curing tobacco.

Governments have attempted to support small firms in developing countries but the impact of their efforts has been disappointing.

Up to now few large corporations have been involved in this area, but they are now beginning to realise the potential mutual advantages. The multinational company can benefit by buying from small local businesses, by selling its products or services to them and by providing general

assistance for making shoe-laces for the local market.

Some large companies embark on collaboration ventures for public relations reasons but unless they are really committed to the project the initiative may backfire if problems arise, Wright warns.

In some countries, such as India, government measures to reduce excise duties and taxes for small firms can make it financially attractive to buy from small firms.

A weakness of such collaborative ventures is that they tend to be delegated to top management in the developing country so head office often does not know what different affiliates are doing or how successful they have been. The opportunity to share information may be lost.

Contact: ODI, Regent's College, Inner Circle, Regent's Park, London NW1 4NS. Tel 01-497 7412; EBC Magazine, 227A City Road, London EC1V 1LX. Tel 01-253 3716.

Help for EC sub-contractors

A wide-ranging programme to improve the efficiency of companies which act as sub-contractors has been launched by the European Commission's small firm task force.

The task force hopes to bring down the legal language and practical barriers which make sub-contracting across national boundaries difficult and to make it easier for sub-contractors to supply customers.

The faster speed of technological development and tougher competition have meant large companies have been sub-contracting out work of increasing complexity, the task force says in its brochure, Sub-Contracting in Europe.

This has led to the establishment of closer, more permanent links between the main contractors and a more limited number of sub-contractors. The increasing sophistication of these links means sub-contractors must think more carefully about various management systems.

For example, they may need to consider introducing just-in-time working the task force says. Sub-contractors may also need to establish subsidiaries or create joint ventures to give themselves production capac-

ity in more than one European country and to avoid dependence on one main customer.

Large companies with central purchasing departments have little difficulty in finding suppliers but small companies have problems in finding one.

A data bank of purchasers and suppliers would help sub-contractors in their search, the task force suggests.

The European Commission hopes to play a more active role in improving the organisation of the sub-contracting market. At present the different countries take varying approaches to sub-contracting.

In some countries the public authorities have promoted sub-contracting; in others chambers of commerce have helped set up data bases; while elsewhere professional associations and regional development organisations have been active.

The task force plans to carry out a study of the technical, economic and legal aspects of sub-contracting to improve communication between main contractors and sub-contractors; and to help smaller companies adapt new technologies.

It intends to publish an analysis of sub-contracting within individual countries and across national boundaries at the end of 1988. It has also commissioned studies of cross-border

sub-contracting in the aeronautics, information technology and civil engineering fields.

The task force is running a series of conferences on the subject and is examining the possibility of creating a European Centre for Sub-Contracting which would house a document library and a centre for information and research.

It is expanding its range of multi-lingual directories which allocate numbers to products and processes and list the equivalent terms in all community languages. Four are being prepared in the areas of electronics, industrial services, textiles and wood in addition to the two already available on the metals and plastics and rubber sectors.

Last year the commission will publish a practical guide to the legal aspects of sub-contracting. It has launched a pilot scheme to train managers and employees in smaller companies in just-in-time techniques and is arranging a number of study missions to look at how sub-contracting is organised in countries such as Japan.

12 pages. Available free from SME Task Force, European Commission, Rue de la Loi 200, B-1049 Brussels, Belgium.

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TECHNOLOGY

One of the main thrusts of offshore development by oil companies is to reduce manning levels. The sense of urgency attached to this has been increased by low oil prices and by the need to prepare for the time when oil and gas accumulations will have to be extracted under more extreme conditions, once easily accessible reserves have been exhausted.

Apart from the expense of domiciling scores of workers aboard a rig, a sharp reminder of the dangers of this arrangement was dealt by the Piper Alpha disaster in the North Sea, which claimed 167 lives.

The solution being pursued by many oil companies is to operate facilities remotely, either in the form of unmanned rigs, or through installations on the sea bed which are connected to distant manned platforms.

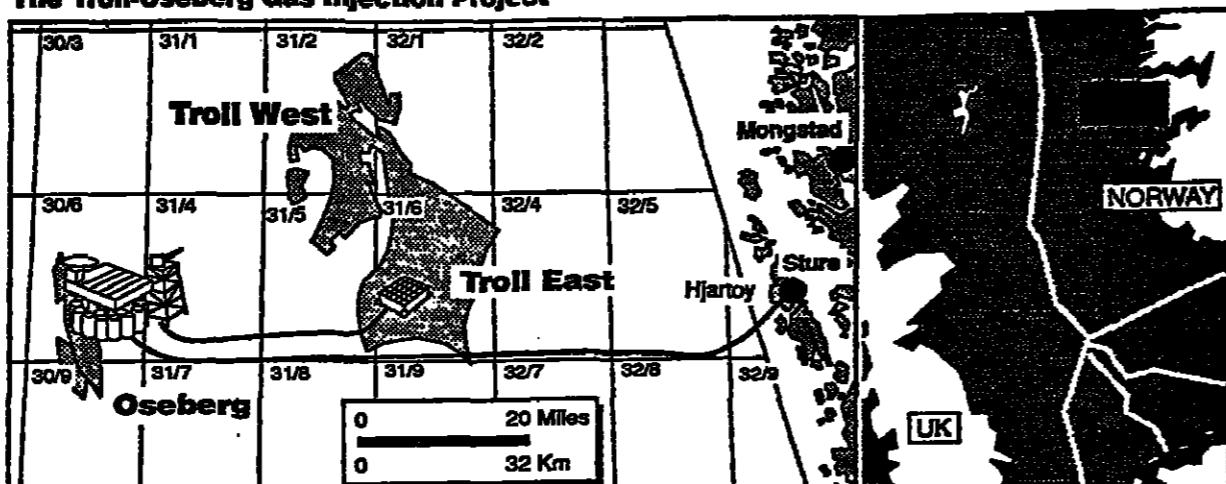
Norsk Hydro, Norway's largest publicly quoted company, has designed a subsea gas facility to operate off Norway's west coast, which will not need manning for operations, inspection, maintenance or repair. The Troll-Oseberg gas injection subsea facility (Togi), due to come on stream in 1991, marks a stretching of the limits of gas production technology.

"The Togi technology will be recognised as the new industry standard for deep-water subsea production," says Bjørn Weibye, project director.

The equipment for Togi has been designed to operate 305 metres below sea level. With the exception of Brazil, where many subsea installations are situated in depths exceeding 200m, the majority of offshore oil and gas field developments are found between 50m and 200m deep. Also the distance between the subsea facility and the platform housing its control centre will be a record 48 kilometres – three times further than the greatest distance for a remote oil or gas production facility in operation today.

Togi aims to tap gas from the Troll

The Troll-Oseberg Gas Injection Project



Stretching the limits on the sea bed

Karen Fossli reports on a Norwegian company's design for an unmanned complex deep in the North Sea

pany, Elf Aquitaine Norge and Total, both Norwegian subsidiaries of Paris-based oil concerns. Other companies have also been invited to join the project.

According to Weibye, Norsk Hydro has benefited from a close relationship with Elf, which made its offshore production facilities available for component testing programmes.

If Norsk Hydro had chosen to produce Troll East gas from a fixed platform, investment would have reached about Nkr 6bn (500m). By using a subsea production facility, the company will halve those costs.

After the oil from the Oseberg field is exhausted, Hydro will reclaim the gas for sale, although some 30 per cent of the amount injected into the reservoir will be lost.

Norsk Hydro has contracted the services of highly skilled technicians from oil service companies worldwide to help it solve the design challenges presented by Togi. One of the key people involved is James Skinner, who is employed by US-based Hughes Aircraft in its Radar Systems division. In the 1960s, Skinner headed a project for the National Aeronautics and Space Administration, which involved developing a soft landing on the moon for vehicles in the Surveyor unmanned rocket programme.

For Norsk Hydro, Skinner is working on electrical elements in the control system for the Togi module. This is a crucial part of the project because of the distance between the module and the control platform.

The company has to be sure that the response times of the subsea system to orders from the control platform are rapid. This would be especially important in an emergency, when the subsea system would need to be shut down. It must also be possible to retrieve data reliably from the module.

Skinner says: "For Hughes, the distance over which the controls (for the Togi project) have to function is not particularly long. Sending controls and receiving data is nothing new... but one interesting aspect of the Togi project is the interfacing work for the huge amounts of data acquisition which Hydro requires."

Hughes has helped to develop control systems for other subsea projects, including ones for Statoil, Placid Oil in the US Gulf of Mexico, and Esso, on the US East Coast. The company has helped to develop control systems for other subsea projects, including ones for Statoil, Placid Oil in the US Gulf of Mexico, and Esso, on the US East Coast.

The Togi facility has been designed so that all the mechanical and electrical equipment can be brought to the surface with the help of remotely operated, robotic tools and vehicles. This means that divers will no longer need to be sent down to extreme depths.

The deployment of divers in water depths beyond 300m is complex and costly. It requires extensive planning and preparation to ensure their safety and it is difficult for them to work effectively at these depths.

The challenge for the Togi team was to design a diverless multi-well drilling and production template, with wellstreams channelled into a common production pipeline for installation in the Norwegian Trench where the water is 303 metres deep.

In eliminating the need for divers to work on Togi, Norsk Hydro has addressed the system design in co-operation with equipment suppliers and, second, implemented a comprehensive hardware system-integration programme.

System simplicity was established as a primary goal, then the emphasis was on reliability, followed by the maximum use of field-proven components. To ensure that failed components could be repaired or replaced easily, close attention was paid to having back-up components, and to seeing that each of the subsea wells had a production module which could be easily brought to the surface for repair. Equipment had to be compatible with the range of surface maintenance vessels used at the Togi field.

"My biggest challenge in the project was to ensure that proven technology was used whenever possible, while encouraging the use of prudent technological developments to improve project cost-effectiveness and overall reliability," says Weibye.

The primary method of repair for any component will be to bring the parent module up to a surface vessel. This will be undertaken by conventional drilling tools – like large fishing rods. However, since the Togi facility has been designed as a truly diverless system, remotely operated vehicles (ROVs) will play an important role.

Although ROVs have been in use in the North Sea for some years, the latest versions are more dexterous. The ROVs for the Togi project will boast a comprehensive and interchangeable array of special tooling devices which will interface with the subsea system for routine and contingency tasks.

As well as standard drilling support tasks, such as monitoring, wire-cutting and cleaning, the ROVs will perform such operations as opening and closing isolation valves on the subsea station.

The back-up tasks for which the tooling system is specifically designed include activating mechanical overrides on the wellheads' hydraulic valves. In addition, the ROVs will be able to disconnect the subsea units if the hydraulic connection tooling system fails to do so.

Full use will be made of the capability of the ROVs to bring into use hydraulic back-up "hot-lines" that provide a secondary source of hydraulic power.

The ROV tooling system will be operated by a hydraulic power supply and fluid reservoir unit carried independently of the vehicle's manoeuvring functions. This will enable the tools to be operated by a wide range of commercially available ROVs to ensure competition for Togi service contracts.

As the control centre for the Togi complex will be 48 kilometres away, an electro-hydraulic control system has been designed which will ensure much faster responses than would be possible with conventional hydraulic equipment.

Each of the five gas production wells will have a separate control and monitoring system. An electrical bridge connection tool has been designed to make connections between the 48-kilometre cable and the individual wellheads.

Back-up is provided throughout the control and monitoring system. Vulnerability to electrical connector failure is minimised by allowing for cross-connection to a healthy communication pair.

Later this year, Norsk Hydro aims to start testing the integrated system on land. Weibye says that so far design reviews and initial testing have not caused any serious concern. Each component fabricated for Togi will have to demonstrate that it meets all specifications and acceptance criteria before delivery is made to the Norsk Hydro integration testing site.

Integration testing will be under the company's direct control for up to one year. Suppliers are bound by their contracts with Norsk Hydro to assist with these tests. This gives the suppliers an opportunity to demonstrate that interfacing problems have been solved.

New areas for diamonds

A RESEARCH team at the University of Texas, in Dallas, has been working on a technique for depositing diamond-like carbon (DLC) films on to areas up to 10 cm square. It is claimed that this is much greater than has been achieved elsewhere and that the rate of laying down the deposit is also thousands of times faster.

There is much interest in the films since diamond, the hardest known substance, could be added to wearing surfaces, such as bearings, to give them very long lives.

But diamond has another important characteristic. It is simultaneously the best heat conductor and the best electrical insulator in nature, an unusual combination. Consequently, the electronics world is also interested, because, with suitable doping (additions of small amounts of other chemicals), the diamond can be turned into a semiconductor.

This would enable chips to be made with a greater tolerance to heat, pressure and corrosion, making them useable in hot industrial environments without the need for cooling. Similarly, they could be used deep underground and in outer space.

The Texas University technique uses a laser to fire short pulses at a block of pure graphite, in a vacuum chamber. Tiny explosions on the surface produce temperatures of about 40,000 deg C and the resulting plume contains charged carbon atoms, which are then drawn away and accelerated on to the target surface by a strong electric field. A film of diamond builds up at the rate of 200,000 atomic layers, (about a thousandth of an inch) an hour.

A solution to pilots' vertigo

Spatial disorientation, or vertigo, poses particular problems for military pilots flying at night, in bad weather or when relying on instruments.

Unable to see the real horizon, the pilot falls back on an artificial one shown on a small dial. But this is not always adequate and the US Air Force estimates that it loses nine or 10 aircraft a year, with most of the pilots, because of disorientation.

A Canadian company,

WORTH WATCHING

Edited by Geoffrey Charlish

Allied-Signal Aerospace, believes it has the answer with a new kind of artificial horizon which is always in the field of view or in peripheral vision. It has developed a laser projector which throws an intense line of red light across the whole instrument panel, representing the horizon.

The projector mechanism is fed with information from the aircraft's gyroscope so that the red line represents the horizon regardless of the aircraft's attitude.

Tests by the Canadian and US air forces have shown that the system reduces the problem of disorientation. Evaluation is continuing on aircraft of the US Navy and the Royal Aerospace Establishment, Farnborough, in the UK.

Software choice in training

LECTURERS, teachers and managers involved in training might find useful a £38 piece of software, which allows an IBM personal computer, or compatible machine, to be used for setting multiple choice questions and marking them automatically.

The software is called Question Mark and a tutor needs no computer experience to use it. He or she simply enters the questions using the keyboard and the student answers them on the same equipment.

Where a class of students is involved, a sufficient number of PCs is a prerequisite, but only one copy of the software need be bought.

CONTACTS: University of Texas: US, (214) 952 8986. Allied-Signal Aerospace: Canada, (416) 675 4021. Question Mark Computing: London, 382 2322.

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FURTHER INFORMATION

Further information may be obtained from Mr. Peter Inglis of McIntosh Hamson Hoare Govett Limited, Brisbane, Queensland. Telephone (07) 834 9444 Fax (07) 832 3635.

Public Notices

PUBLIC NOTICE

A meeting will be held on Thursday, September 8, 1988 beginning at 10:00 am on the fifth floor of the headquarters of the Air Transport Association, 1705 New York Ave., NW, Washington, DC, USA for the purpose of explaining additional Protocol No 3 to the Warsaw Convention ("Montreal Protocol S") and a draft Supplemental Compensation Plan applicable in the territory of the United States. A full copy of the proposed plan, copies of the Protocol and the draft Supplemental Plan will be available at the meeting. Interested parties should advise of their intention to attend the meeting and are encouraged to obtain these documents in advance by writing to Washington Square Station, PO Box 6023, Washington, DC 20001 USA, or by US telex no 655271 (answering back ATA, WASH1). Protocol 3 updates the Warsaw Convention limits on airline liability for death and personal injury in international air travel, and permits the implementation of national government compensation recoveries. The Exclusive Branch of the US Government has recently asked the Senate to renew active consideration of ratification of the Protocol. The request was accompanied by a draft of proposed US Supplemental Compensation Plan in the form of an agreement among airlines and a contractor/plan administrator. In accordance with guidelines established by the US Government, the plan calls for payment methods regard to fault, of all provable economic damages up to a total of US \$ 350 million per incident per aircraft. In general, the plan to be funded by a surcharge on international tickets purchased in the United States, with supplemental recoveries against airlines whose liability would be limited by Protocol 3, when ratified, to 100,000 SDRs (approximately US \$ 160,000). The selection of a contractor/plan administrator and the level of the surcharge will be determined by negotiations with interested parties before implementation. The plan will require approval by the Department of Transportation before implementation.

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THE NETHERLANDS

The Financial Times proposes to publish this survey on:

10th October 1988

For a full editorial synopsis and advertisement details, please contact:

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ARTS

Craft workers swap old pots for new

When is a craft not a craft? When it is called a Decorative Art. It is an odd fact that while the terms "decorative" or "applied Arts" conjure up images of exquisite porcelains, leather textiles, especially wrought silver and cabinetwork, a standard imagined long since gone, the term "crafts" has connotations of small and simple, the dross and clumsy wobbly pots and wooden carvings that seem to be offered on every B road in Wales and the West Country. There is, of course, no difference.

Nomenclature seems central to recent efforts to market crafts. Last year, the British Crafts Centre in Covent Garden changed its name to Contemporary Applied Arts. This summer, Sotheby's launches its own crafts incentive, an annual Decorative Arts Award Exhibition.

One hundred of the top craftsmen working in Britain, chosen by a panel comprising members of the Crafts Council and CAA, were invited to submit two and ten major pieces to the exhibition. A total of some 400 exhibits are now on show at Sotheby's Conduit Street Galleries until August 29, and a selection will travel to a Selfridges department store in Tokyo in mid-November for exhibition and sale. (The Japanese are major collectors of the studio ceramics of Bernard Leach, who learnt his craft in Japan, and his assistant Shoji Hamada, but are cautious about contemporary makers.)

As an added incentive, a prize of £10,000 is to be awarded for the outstanding exhibit of the six categories: ceramics; jewellery and silver-smithing; glass; textiles; furniture; bookbinding and printing. The scheme is Sotheby's contribution to Business in the Community, an organisation which encourages large companies to spend a percentage of their profits on helping small businesses in their own marketplace, either in terms of sponsorship or help in kind.

An award exhibition was the brainchild of Sotheby director and ceramics expert David Buttie, who had pioneered the sale of contemporary crafts at auction at Sotheby's Belgravia in the 1970s. (Today, Christie's dominates the market.) He felt

Susan Moore

whose recordings are unavailable today. In the French chapters the names of Claire Croiza, Charles Panzéra, Léopold Simonet, Gérard Souyaz and, of course, Pierre Bernac are extolled as paragons of the *mélodie* style, but you have to scour the specialist shops to acquire their records.

However, reading these in-depth surveys in quick succession can provide a shock to the system: long-loved performances of particular songs or song-cycles can be summarily dismissed so persuasively by authoritative critics that you have to rush back to the old Long Players to reassess yourself that you haven't been hoodwinked all these years.

The principal joy of an anthology such as this is that it enables the lover of art-song to savor, albeit vicariously, performances by artists either long dead or inactive, many of

Alan Blyth has set himself a more manageable task in his second volume of *Song on Record* than he did in the first, which, inevitably, only skated over the surface of the huge recorded resources of the German Lied. Here he has asked contributors to survey a selection of the most frequently performed — or recorded — art-songs of the French, Spanish, Russian, Scandinavian, English and American repertoires. Bartók and Janáček share a chapter by the FT's David Murray — for no other reason, it seems, than that they were near-contemporaries born in small countries squeezed by the German and Russian empires.

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Portrait of Conrad Merckel, by Albrecht Dürer

The landscape of genius

The watercolour drawings of Albrecht Dürer are one of the great glories of the British Museum's Print Room. During Alpine journeys to Italy, and after his return to Nuremberg, Dürer made a series of landscape and nature studies that are not only some of the first landscapes to be executed on the spot but are also remarkable in being drawn purely for their own sake.

Who could guess that "study of water, sky and pine trees" or the cool, atmospheric washes of the "weidhains" (fisherman's hut) were produced in the 15th century? Their freshness, truth to nature and, above all, their modernity, never cease to amaze.

Seven watercolours of landscape, flora and fauna revealing the artist's curiosity in the natural world, plus a remarkable series of portraits, say the

highlights of a survey of draughtsmanship in German-speaking Europe 1400-1550, at the British Museum until October 16. Dürer's drawings, and those of that other Titan of the Northern Renaissance, Hans Holbein the Younger, have been placed in context in order to demonstrate their towering genius. Dürer's are shown beside sheets by his master Michel Wolgemut and the artist he most admired, Martin Schongauer, in a show replete with carefully considered juxtapositions. Three-quarters of the 200 or so exhibits come from the British Museum's own holdings, and judicious loans such as the Ashmolean's Grindelwald drawing, more than adequately stop the odd gaping hole.

The brilliance of Dürer and Holbein does emerge, but the contrasts are frequently not of black and white. The show provides us with some outstanding portraits, by Hans Baldung, Lucas Cranach the Elder and Leonard Beck. It also reveals a group of enchanted landscapes by the Danube School artists Albrecht Altior and Wolf Huber.

Holbein is represented less as a portraitist to the Tudor court — though there are some sensitive but uncompromising visages; the calculating George Nevill, for instance, warts and all — than as a designer of great versatility. From powerful designs for painted glass in Basel, we progress to designs made in England for a chimaenpiece, clock-salt and ceremonial dagger, and complex cyphers that baffle the Tudor love of puzzle.

Susan Moore

Short, sharp shocks for lovers of art-songs

What poor Dame Janet has done to Jeremy Sams, though, I can't imagine. To him she is "the mistress of misstress," a brilliant joke but a little unfair, I think. In his Ravel chapter he accuses her of mispronouncing the words "trambouise" and "nommez" in her Oiseau-Lyre recording of the *Trois Poèmes à Mallarmé*, but I don't hear it myself.

Still, the Cairns and Sams chapters stand among the most absorbing and readable, along with Murray on Debussy, Bartók and Janáček, and Richard Fairman's two informed and witty surveys of individual songs and cycles by Faure. It is worth acquiring the book for his devastating comments on Frederic von Stade (the fashionable singer of the mid-1970s), and his description of Barbara Streisand's "erotic excess" in "Après un rêve" (her suggestive mouthing of

the word "pure" deserves to be banned!).

Not all of the writing is on this level. The editor himself has produced a particularly wearisome chapter on Duparc, prefacing each song surveyed with the opinions of others, either Pierre Bernac or Sydney Northcote (author of *The Songs of Duparc*) to the extent that he is at a loss to find synonyms for "write," "says," "points out," "comments." I kept wondering: what does Alan Blyth think about this music? But there are useful chapters on Spanish song by Michael Oliver, Musorgsky by Stephen Johnson, the Scandinavians by Robert Layton, and Britten by Michael Kennedy. In sum, it is a book which connoisseurs of art-song and collectors of great singing on record can hardly deny themselves.

Hugh Canning

SONG ON RECORD,
VOL. 2
Edited by Alan Blyth
Cambridge University Press.
286 pages. £19.50

Les Nuits d'été, and *Shéhérazade*, are cases in point. Cairns, the distinguished Sunday-Times music critic, is probably the world's leading authority on Bartók, and one challenges his views with trepidation, but you only have to read his chapter on the composer in Blyth's *Opera on Record* 2 to discover that he has never forgiven Mme Crepin for her involvement — *pêche de pêche* — in an abridged recorded version of *Les Troyens*. She may not be the most scrupulous reader of the score, but I still think here are the most erotic *Summer Nights* ever recorded.

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Freshness from foreign fields

EDINBURGH FESTIVAL

The internationalism of the Edinburgh Festival is not confined to the official programme. The Assembly Rooms in George Street, a fringe bazaar dripping with bangles, bangles and beads, is offering Chinese Opera, Indian caravans, Molière from Soviet Georgia and a mini-fest of antipodean antics under the generic title of Ocost.

The standard was set on Sunday afternoon with the opening of *As the Piano Plays* from the *Tinu-na* Theatre of Tel Aviv. "Tinu-na" means something like "Pictures moving" and Nava Zukerman's production, created by seven dancing actors from her own prose poem, is a savage, sexy and poignant adieu to innocent love. A myth of a prince and a mermaid is swamped in recriminatory, abrupt dance routines, much rushing about, spreading of muscular thighs and romantic violence. The action is bathed in Israeli rock music and a Schubert piano trio.

I first saw *Tinu-na* two years ago in Edinburgh doing an automation company cabaret, *5 Screens*, derived from Milan Kundera's *The Unbearable Lightness of Being*. The style is derived from Pina Bausch, and is more compacted in expression and also related to native obsession.

In this show, a girl hacks at a loaf of bread while the men are at war. Family links are weakened by political conflict. The stage language of anger and alienation is that of a new young country torn apart by emotional misery. The personal relationship is an allegory, past hope vigorously anatomized in present pain.

Itamar Neuman's set conveys a sense of turmoil and dislocation. A tilting wall, at



Timothy Spall: a crimp and a curl in *Screamers*

right angles to the audience, faces two doorways. A cupboard is emptied of shelves and bread, invaded by a flying, tickled-up girl, a sort of female foetal. A baby doll is brained, assaulted and embroiled in a whirling dance of death. Men dive through windows, wear gaudiness, kick gravel stones around and try to force a scenic regression to Nature by installing a real tree among the emotional dead wood.

Girls climb up men, push out their pelvises, run madly in decreasing circles, rip off their clothes, console one another. Men beat the walls, beat the drum and no doubt beat the meat. All very disturbed and

right angles to the audience.

Yet more therapeutic reminiscences in the Assembly Rooms from three comics in *You Can't Go Wrong*, niftily directed by Jack Klaff. Faintly aggressive Australian Judy Pascos blames her mother, mildly amusing Briton John Attilla McHenry blames his Catholic education (he ran away from school at ten and returned at 12, bussed back in the Ave Maria); while self-mocking Indian cripple Jagdish ("Does anyone here speak spastic?") blames only his bad luck.

New plays are hard to find outside the Traverse, but *Screamers* by Anthony Davison at the Playhouse Studio is sure to be a hit. The play was welcomed two years ago on this page by Martin Boyle when first given at the Croydon Warehouse. Now re-launched with Timothy Spall as a flouncing hair stylist in suburban South London in the mid-1960s, it has all the crude joy and tackiness of *Torch Song Trilogy* and is a valuable reminder of how homosexuals painfully plucked up courage to "come out" in advance of the gay rights movement.

Spall, more garrulous and flabby than in his RSC days, plays Derek, queen of the blue rinse in the Cut and Come Again salon, Mitcham, as a physical cross between Robert Morley and Frankie Howerd. This is a tragicomic performance on the grand scale, most ably supported by Dominic Keating, Jean Stevens and Stephen Tiller.

Michael Coveney

Electric Weekend

ELIZABETH HALL

The National Studio for Electronic Music may still consist of nothing more substantial than a gleam in the eyes of its planning committee and a fund of goodwill, but the South Bank continues to promote concerts of electronic pieces under the studio's auspices, the latest of them on Saturday and Sunday in the form of an "Electric Weekend," presented jointly with the Electro-Acoustic Music Association.

The audience for this music remains small — substantially smaller than, say, for concerts of instrumental pieces from the same composers by the London Sinfonietta, and clearly one of the problems facing the new studio when finally it is built and equipped will be one of heightening public perception.

The studio is intended to fulfill a multiplicity of functions — as a centre for research and composition and as a nationwide co-ordinator of efforts in the field, as well as a centre for performance. Giving the correct profile to that range of activity will not be easy, and to judge from the response to this latest round of events there is still some ground to cover.

Two concerts in the Electric Weekend consisted entirely of pieces for pre-recorded tapes, two involved performers, and the latter, significantly, had the better audiences. Tape concerts lack personality and focus, even when the music is of a high standard. Here Xenakis's *La Légende d'Eer*, written for the opening of the Pompidou Centre and introduced and directed by the composer, seemed overlong despite the fierce imagination of many of its ideas. Thierry Lancin's *Static Arches* and John Chowning's

Stria, interleaved in a programme with three of the tape interludes from Birzitwile's *The Mask of Orpheus*, seemed soporifically uneven and overextended, especially when set against the terseness of the *Orpheus* pieces, in which the clarity of thought and economy of means — a single generating idea in each interlude — continue to be an object lesson in electronic composition.

Saturday's main event brought three Stockhausen works from the early 1960s: *Kontakte*, performed by the excellent Gerard Souzias and Paul Koeck, preceded by two *Mikrophon II* pieces, *Mikrophon II*, for choir, Hammond organ and ring modulation, wears less well than its predecessor; its events are cruder, the sounds lack interesting detail, while *Mikrophon I*, in which two sets of performers scratch, creak and generally stimulate a giant tam-tam, still sounds as fresh as it did 20 years ago, and beneath its experimental veneer carries genuine structural coherence. Both works were smoothly projected: the tam-tam operators were led by Simon Lindbrick and Martin Allen, and the choral piece energetically delivered by the London Sinfonietta Voices conducted by Ronald Zollman.

The focus of Sunday's programme was Italian. It culminated in Berio's ageless *Labors*, 2, again with Zollman and the Sinfonietta Voices, and with Federico Sanguineti, son of the work's liberté, as narrator. Earlier Peter Lawson had given a highly expressive, poised account of Nono's ... *sofferte onde serene* ... in Andrew Clements

which a live piano is allied with its mirror image on tape in a series of interlocking curves, and the remarkable flautist Roberto Fabriaciani had introduced a trio of pieces for flute and tape.

One of them, Maderna's *Musica su due dimensioni* from 1952, can claim to be the first piece to juxtapose instrumental and electronic sounds: it does so in a sensuous, Italian way that overrides the seeming crudeness of the tape component. Certainly its simplicity was far more telling than the tricksy gestures of Jean-Claude Risset's *Passage*, in which the catalogue of effects relies too heavily on the artistry of the soloist to carry the day.

Fabriaciani deserved his most startling playing for the first British performance of Salvatore Sciarrino's *Come per gono prodotti gli incantesimi?*, written evidently as a premature celebration of the bicentenary of *Die Zauberflöte*, but turned into a glittering virtuoso showpiece, in which the full range of techniques available to the contemporary flautist is tellingly displayed, while the minute details of the sounds are picked up and amplified round the auditorium. Fabriaciani's presence, his sheer brilliance as a performer, at last provided the compulsion the weekend had previously lacked. More excitement, and that level of accomplishment, could create the following for electronic music the National Studio will need to garner if it is to prosper publicly, as it should.

Andrew Clements

Lutoslawski

ALBERT HALL

The distinguished guest at Friday's Promenade concert was the Polish composer Witold Lutoslawski, conducting the BBC Symphony in his *Funeral Music* (for Bartók), the work that made him known in the West 30 years ago, and his recent *Chain 2*.

Though the severe *Funeral Music* predicated his fascination with aleatoric devices, it has the unmistakable Lutoslawski hallmark: a rigorous but apparently simple idea developed with inventive elegance, and to direct effect — in this case, stark and sombre.

Chain 2 a mini-concerto for violin (played here with formidable assurance by Anne-Sophie Mutter), is clever and playful, with less specific gravity than the splendid *Chain 1*, Lutoslawski's 1983 gift to the London Sinfonietta. Again two independent strands of material are concatenated, by turns loose and strict; but this time their terms are so distinct — strongly lyrical violin well forward, orchestra twinkling and fragmented, mostly hushed but for stinging punctuation — that the mesh seems only a matter of solo-and-accompaniment. I thought the frictions in *Chain 1* generated more musical excitement, though *Chain 2* is full of moment-to-moment delights.

It would be interesting to

hear it performed with a less dominating solo personality than Miss Mutter, and perhaps one less committed to the ideals of 19th-century "expressionism." (One sometimes heard her straining for a kind of personal intensity which has no real function in this music.) For the rest of the programme, in which Peter Eötvös conducted Liszt and Bartók it was the other way round: plenty of cool, dispassionate spelling-out, precious little grit-and-suit.

That may have been Eötvös's design — or merely his failure to extract from the BBC Symphony what a Hungarian orchestra might deliver without prompting. The string-line, in particular, betrayed scarcely any expressive inflections either in Liszt's tone-poem *Tasso* (where a soloist's florid freedom must surely be assumed) or in Bartók's Concerto for Orchestra, in which the Introduzione and the Allegro were disappointingly flat. Several clumsy transitions in the Concerto suggested also that the conductor's attention was concentrated upon its separate sections, to the neglect of dramatic continuity. At least he disclosed many striking and well-rehearsed details in the sections; and there was a decent punch at the close.

David Murray

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Tuesday August 16 1988

The challenge in Sudan

AS THE full extent of the devastation caused by the floods in Sudan emerges, it becomes clear that a country already wracked by civil war, an economic crisis and drought, faces a catastrophe. Up to 2m people are homeless, including half a million refugees from the conflict in the south. Cholera and typhoid epidemics now seem inevitable. It poses the greatest challenge to the international community since the Ethiopian famine of 1984-5, and no less a challenge to the Government of Mr Sadiq al-Mahdi, the Prime Minister.

Response
The former, once they have provided short-term emergency relief, have to consider what is the appropriate longer-term response to the needs of a Government whose record has been severely criticised. The Prime Minister for his part has to put doubt to rest in order to win the confidence of donors, as well as to reassess at home the credibility of his civilian administration, which may well be in danger of being usurped by the army.

The first response from the outside world has been humanitarian: an airlift of medical supplies, plastic sheeting and tents, water purifying equipment, electricity generators and food. Clearly more is needed. But alongside this aid, thought must be given to Sudan's longer term needs. Here an appropriate response is more difficult to frame.

The predicament that faces Western governments, as well as voluntary agencies, stems from the performance of Mr Sadiq al-Mahdi's administration since it took office in April last year, nearly two years after the overthrow of the former president, Colonel Jaafar Nimeiri. There have been reports of a brutal army campaign in the south, raised again only last month by Amnesty, the international human rights organisation. They have led some Western governments and aid agencies to wonder whether their assistance to Sudan should be linked more closely to the government's handling of the war, and other issues standing in the way of an economic recovery.

There were hopes that the Government would get to grips with the country's problems. The war in the south, however, has been a source of constant strife, costing more than an average week's wages, and before July 15 the gap between official and black-market rates for foreign currency was as wide as 15 to one.

Devaluation

On the economic front at least, there has been some progress. In June the Government introduced wide-ranging reforms which, should they be followed up by a devaluation, will pave the way to an agreement with the International Monetary Fund.

Given the plight of Sudan today, it is unrealistic and uncharitable to expect the government to implement an economic recovery programme without generous assistance from the West, whether in the form of highly concessional debt relief or the provision of additional resources. None the less, Mr al-Mahdi will have to settle the misgivings about his Government if he is to get the long-term help the country desperately needs.

The impact of single-unionism

THE TRADES Union Congress's attempt yesterday to settle the inter-union row between the TGWU transport and AEU engineering unions over the engineers' single-union agreement at Coca-Cola's new bottling plant in Yorkshire is only the latest in what looks likely to be a long line of efforts by the TUC to put out such disputes.

At its annual conference in Bournemouth next month, the TUC seems set to approve a new set of procedures aimed at reducing the conflicts and difficulties arising from the growing number of new-style single-union deals, where unions compete directly before an employer for recognition, and in this so-called beauty contest one wins while the other loses.

Employers

Some multi-union employers may yearn to recoup that cost advantage, but up to now could see little prospect of doing so. For those who want to take it, the EETPU's expected expulsion may provide them with the mechanism of doing so. Many employers may be scared away from making such a change in their employee relations by the risk of a negative reaction from the other TUC-affiliated unions.

The parallel is with the Conservatives' employment legislation of the 1980s. Its provisions lay dormant, with most employers unwilling to take the potential consequences of bringing actions against the unions, until the dam was broken by the dispute at Warrington involving Mr Eddie Shah and the NGA print union. But once Mr Shah's actions released employer inhibitions, such legal actions - or the possibility of them - rapidly became part of the industrial relations fabric.

Going single-union with the non-TUC electricians may not be what most employers want. But some will. Single-unionism on the Coca-Cola model and a non-TUC EETPU could have a profound impact on Britain's pattern of collective bargaining and union representation.

abolished by the Conserva-

tive Government in 1980 - it is employers who decide whether or not they can have them in any way that is of most value to them: that is, if they recognise them for the purposes of collective bargaining.

Employers now have the opportunity to strengthen considerably their control over union recognition. Most employers are probably happy to continue to live with their present multi-union arrangements, largely based on the conflict model of industrial relations, though the conflict is less evident than it was in the past. But that employers in direct competition with new investors like the Japanese, which have single-union deals, are at a real commercial disadvantage.

Even if those new TUC provisions are approved and work in practice, there will still be inter-union rows and requests to the TUC to resolve them under its Bridlington inter-union disputes procedure. What the TUC Congress is also likely to do, though, is extend the suspension of the EETPU electricians' union into full expulsion for refusing to obey two TUC Bridlington rulings.

Strained

The net effect of that will be to make inter-union disputes, as at Coca-Cola, both more likely and more difficult to resolve. In part that will be for the simple reason that with one of the principal participants no longer within the TUC's fold, the TUC's Bridlington writ will no longer have even the strained effectiveness it carries now. In part, too, employers may judge it propitious to take advantage of the window of opportunity which the EETPU's expected expulsion offers.

Employers have traditionally been the key determinant of union recognition in the UK - and from that, of union growth or decline. Employers may or may not want unions, but, especially with no statutory provision for union recognition abolished by the Conserva-

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LETTERS

Monetary union would need a bigger EC budget

From Sir Donald MacDougall
Sir, Samuel Brittan's article ("Why we have no need of a Celtic pound", August 11) raises the general question of why different regions within national states do not need separate currencies, but belong, in effect, to a national monetary union.

A large part of the answer lies, in my view, in the field of public finance. The European Community (EC) Study Group on the Role of Public Finance in European Integration, which I chaired in the mid-1970s, studied eight existing economic and monetary unions: five federations (West Germany, the US, Canada, Australia, Switzerland) and three unitary states (Germany, Italy, the UK).

We found that, on average, public finance reduced inequalities between regions by 40 per cent and also played an important role in cushioning short-term fluctuations – for example (as Mr Brittan correctly reports), offsetting one-

half to two-thirds of a short term loss of income in a region due to a fall in external sales, through lower payments of taxes and insurance contributions to the centre, and higher receipt of unemployment and other benefits.

Even with such powerful regional effects of public finance – and other equalising and equilibrating mechanisms I have no space to mention – a monetary union like the UK has only with difficulty been able to avoid intolerable regional disparities in levels of employment, living standards and rates of growth. (Scottish and Welsh national movements, at the time we were preparing our report, reflected this dissatisfaction with such disparities). If these mechanisms were removed in the countries we studied, I believe that serious separatist problems could develop.

This is why I believe that an attempt to achieve invocably fixed exchange rates between

EC members – and so remove the safety valve of exchange rate changes which I (unlike, perhaps, Mr Brittan) believe can work – would be doomed to failure unless and until there was a much larger EC budget. It need not be nearly as high as the average of between 45 per cent and 50 per cent of gross domestic product (GDP) in the EC member states, nor the 20 per cent to 25 per cent of federal (as opposed to state and local) expenditure in the federal states we studied.

We reckoned that monetary union might be sustainable with EC expenditure of between 5 and 7 per cent of Community gross product – or, worse still, 10 per cent if defence were included – provided the budget concentrated much more than in existing federations on the geographical equalisation of productivity and living standards, and the cushioning of temporary fluctuations. The figure of

2 and 2½ per cent quoted by Mr Brittan was what we thought might be a politically realistic move in the right direction during the next decade or so.

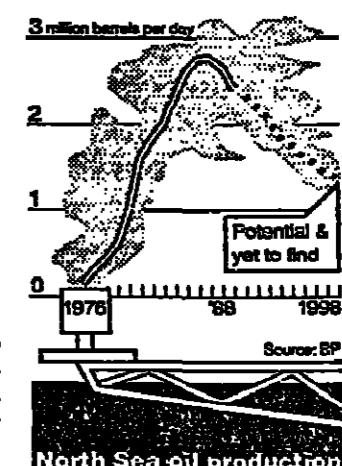
Part of Mr Brittan's interesting article is about whether a devaluation of a "Celtic pound" – quite a different matter from a devaluation of a European currency – would work. This is not relevant to my argument; I am not so foolish as to be advocating a "Celtic pound". But I find nothing in the article to convince me that, with an EC budget of only 1 per cent of EC gross product, monetary union with "invocably" fixed exchange rates – or, worse still, a common currency – would be sustainable.

On the contrary, I believe it would run the grave risk of setting back the progress towards greater economic integration in Europe, of which I am a keen supporter.

Donald MacDougall,
82a Denbigh Street, SW1

Steven Butler looks at the future of North Sea oil

Under the shadow of Piper Alpha



Source: BP

North Sea oil production

1976 80 1990

Source: BP

North Sea oil production

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Tuesday August 16 1988

Alfonsin sets alarm bells ringing

Gary Mead looks at Argentina's latest economic austerity plan

WHEN the president of a nation loses his temper and shouts "fascists" at hecklers, the suspicion arises that he is losing his grip. When the rowdies are highly conservative farmers moaning about profits, and the president is Mr Raúl Alfonsin, alarm bells start ringing.

Last Saturday, President Alfonsin inaugurated one of Argentina's most important annual social events, the Rural agricultural show. The President was roundly hissed and booed, shock to Argentina's political sentiments comparable only to whistling the Queen at Ascot. The *Rural* of 1988 will go down in history as the year in which the President became so enraged he forgot to declare the show open.

As Argentina moves towards springtime, or "Primavera", farmers sit and wait with the latest economic plan, the Primavera plan. Argentine economic plans come in rapid succession, each promising to achieve precisely the same as the one before. Unfortunately it is rather like watching a crowded London bus pass, the conductor saying "There's another one behind." They generally is, but all too often that turns out to be useless too.

The Primavera plan has isolated Mr Alfonsin's radicals from almost all sectors of Argentine society, be they old-age pensioners or rich landowners. Argentines today want solutions to an economic crisis, not reminders of how lucky they are to be living in a democratic state. They take that for granted. In five years President Alfonsin has toppled from the crest of populist waves. Now he merely appears crestfallen.

The economy is in a desperate condition. In 1,700 days of office Mr Alfonsin has supervised an accumulated inflation rate of 51,000 per cent.

On August 4 the Primavera plan was launched as a last-ditch attempt to achieve two contradictory aims: to win the 1989 presidential election and to correct the structural deformations in the economy.

The Primavera plan is designed to persuade the International Monetary Fund and foreign commercial banks of Argentina's creditworthiness.

The Government wants \$1.2bn from the IMF and \$2bn from the banks, in order to service its \$55bn foreign debt.

On the other hand, the plan has to curb monthly inflation of 25 per cent if the radicals are to stand any chance of domestic political success. But,



President Alfonsin: toppled from the crest of populist waves

rather like a rowing boat with two oarsmen churning away in opposite directions, the plan promises only to churn a lot of water without movement, and in the process provoke much bad temper.

Its success depends on what confidence it can muster from a nation jaundiced by the failure of similar plans. What foreign creditors care about is seeing some kind of order restored to an economy which threatens to move from chaos into anarchy. They are not encouraged by the collapse of 75 private banks since 1980, a budget deficit one year late in being presented to Congress, a fiscal deficit of 6.5 per cent of GDP, and a corrupt state sector which, officially, annually pays 50 per cent in excess of market prices for essential items.

The plan promises to freeze prices and hopes that trade unions – the most powerful and politicised in Latin America – will restrict wage demands. It juggles with exchange rates in order to get more US dollars into the treasury, and it vaguely promises to cut state spending.

The price freeze, due to last until October, was agreed with the Argentine Industrial Union (UIA), which groups large industrialists. But small and medium-sized businesses are struggling to keep going after seven months of dramatic price increases for fuel, electricity, gas and other public utilities.

They point to a 35 per cent drop in sales for July 1988

against 1987. They argue that they are being forced to accept the inflationary consequences of the failure to cut state spending on the inefficient public sector. The cut in VAT from 15 to 15 per cent they regard as derisory. For them a price freeze could spell bank-

ruptcy for public spending, the truth is that the radicals no longer have the political muscle to make the necessary cuts.

The Primavera plan proposal to retire 30,000 state employees, and transfer 5,000 state cars from the civil service to the police, is regarded by independent economists as trivial. Other public sector cuts proposed include cessation of work on Argentina's second nuclear power station and a promise to cut state subsidies and only to pay the debts of state industries. So far, those are paper promises.

Considering the vast mark-ups on retail prices before the plan took effect, trade union leaders feel little interest in curtailing their demands. In the first three days of August, the price of domestically-produced drugs jumped 51 per cent. Basic food items rose between 30 and 70 per cent in the crucial days before the price freeze. At the same time, the government increased public utility bills by 50 per cent.

In the first week of August, inflation reached 26.3 per cent. President Alfonsin and his Economy Minister, Mr Juan Sourrouille, have promised it will be down to one digit by the last three months of 1988.

While prices have rocketed, salaries have taken a dive in real terms. When Mr Alfonsin took office in December 1983 the Government-guaranteed minimum salary was \$109 a month. Today it stands at \$88. The purchasing power of wages is now lower than at any time since the radicals took office, registering a drop of 35.5 per cent since December 1983.

The IMF's recommendation for spiralling inflation is another. With demand for labour having dropped by 38.6 per cent in July compared with the same month in 1987, Argentines feel they have had enough austerity.

As for farmers, they are particularly cross at what they see as discrimination against their ability to make a sizeable profit in the one good year they have had for some time. The US drought forced grain prices up and Argentine farmers rubbed their hands at the thought of this year's high dollar returns.

But the Primavera plan shocked them. The Government decided to retain its complicated two-tier exchange rate system and force agricultural exports to continue dealing through the lower, commercial rate of exchange. At the same time it now permits industrial exports to operate in the higher, financial rate, for 50 per cent of its exports.

THE farmers, who have not lost money but only failed to make more, see the two-tier exchange rate system as an indirect tax on them, a tax used to subsidise the state sector which constantly fails to pay its debts, never mind make a profit. They point to such statistics as the state railway system making enough money each year to pay only 30 per cent of its wage bill.

With much of the *Rural* whistling and foot-stamping from farmers who have little to complain of, a great deal also came from the heart of people who have no confidence in this Government's handling of the economy.

A recent newspaper cartoon summed up their mood. It depicts President Alfonsin shamefacedly unveling, amid fanfares and crowds, a new statue of Mr Sourrouille.

In a reference to the promise of one-digit inflation by the end of the year, Mr Sourrouille stands into the distance, his right arm extended, one finger pointing upwards in a universally understood gesture of contempt.

UK output growth provokes interest rate fears

By Ralph Atkins and Simon Holberton in London

BRITAIN'S economic growth rate showed no sign of faltering in the past two months, according to official figures yesterday.

Government statistics showed a big jump in retail sales in July and a sharp increase in manufacturing output in the three months to June, taking it to record level.

They did little to dissuade the many independent economists who believe the economy is overheating and that interest rates will have to rise still further by the autumn.

Worried about Britain's fast-growing trade deficit were reinforced by the news yesterday that imports accounted for almost 60 per cent of new car sales in the first 10 days of this month.

Taken together, the figures reinforced City of London concern that the economy might be growing at an unsustainable rate and suggested that activity might prove more robust than the Government has forecast.

The retail sales and manufacturing statistics cover the period when bank base interest rates were increased in from 7.5 per cent to 10.5 per cent, but before the rises would have had an impact. Bank base rates were raised to 11 per cent a week ago to further bear down on inflation and demand in the economy.

The figures unsettled financial markets, where fears of inflation and trade problems have largely replaced worries about the economy.

The FT-SE 100 share index closed 26.6 points down at 1,816.8 – its lowest level since the beginning of June. The pound fell against major currencies after the figures were released but had partly recovered by the close.

Activity on foreign exchanges was quiet before the publication of today's US trade figures. Thin trading conditions appeared to exaggerate reactions to the economic news.

The Department of Trade and Industry said the volume of retail sales rose by a seasonally adjusted 2 per cent in July compared with June. In the three months to July high street sales were 8.75 per cent higher than in the same period a year before.

The Central Statistical Office said manufacturing output in Britain reached a record in the second quarter of the year and was 7 per cent up on last year.

The attention of UK financial markets is now focused on money supply figures released on Thursday, which are expected to show a large rise in bank and building society lending.

City analysts also expect inflation figures, published on Friday, to show the annual rate approaching 5 per cent.

In London, the pound fell half a pfenning against the D-Mark to close at DM3.2200. Against the dollar it slipped to \$1.7125 against \$1.7150. The Bank of England's sterling index rose 0.1 to end at 77.0.

The FT Ordinary index ended 19.2 lower at 1,465.5.

Soviets warn Pakistan over Afghan rebels

Continued from Page 1

Withdrew half its force of 100,000 soldiers in the country, in line with the accords. The remaining 50,000 are due to leave by February 15 next year – although the Soviet and Afghan statements yesterday may now cast doubt on this.

At a press conference in Kabul on Sunday, Lt-Gen Boris Gromov, commander of the Soviet forces in the country, said that he had been requested to give assistance in the fighting round Kunduz, but had refused because his troops were pulling out.

In a television interview yesterday, and in an article in Pravda, the Communist Party newspaper, President Najibullah gave fulsome thanks to the Soviet Union and its forces for helping to "protect the republic and enabling it to embark on national reconciliation."

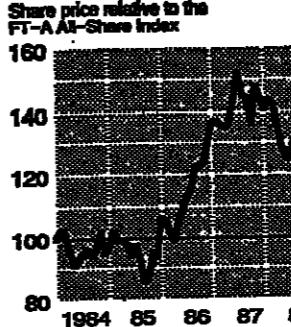
Mr Wakil, in his remarks to the press, emphasised that the Afghan Government was anxious for talks with the rebel forces on participation in government, and said that the ruling party – the People's Democratic Party of Afghanistan – had no wish to hold the monopoly of power.

However, Mr Siddiqui, Rabi, the President's brother, said yesterday that he was a tyrant who had been responsible for his father's death. Mr Rabi defected last year to the rebels.

THE LEX COLUMN

The curse of the spendthrift

Share price relative to the FT-SE Share Index



brands.

Unfortunately, the long haul of building dominant market positions in the Pacific rim and elsewhere is not the kind of growth and exceptionally high margins which used to guarantee the company its place in the news, the market is now focusing on the spectacular underperformance of Norsk Data's shares – they have lost 75 to 80 per cent of their value relative to the Oslo, London and New York markets over the past year – and on first half losses which were none the less appalling for having been confidently expected.

The company blamed its plight primarily on the weakness of its home market, where revenues fell 7 per cent in the first half. But while Norsk Data can scarcely be held responsible for the effect of lower oil prices on public spending in Norway, this fact does little to allay investor concern over whether the company is a purely Norwegian wonder. Norsk Data's future depends on its ability to prove in markets outside Norway – indeed outside Scandinavia – and it has invested heavily to reduce its dependence on the domestic market. But unfortunately for Norsk Data, the downturn in Norway has come before the company has had time to prove its competitiveness abroad.

That proof could be some time in coming, and although the company is predicting a better second half, the improvement would have to be quite substantial to avoid full year losses. Norsk Data may take the long view, sacrificing today's bottom line in favour of the future, but investors may look to a nearer horizon.

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Israeli troops fight Gaza demonstrators.

By Andrew Whitley in Jerusalem

THE Israeli Army, surprised by a surge of violence in the occupied Gaza Strip, fought running battles yesterday with young demonstrators defying an indefinite, round-the-clock curfew imposed on the entire region on Sunday night.

As reinforcements were rushed into the coastal enclave, Mr Yitzhak Rabin, Defence Minister, assured angry Jewish settlers that the army would maintain sufficient forces to cope with any

been turned into a battlefield over the past few days.

Burning barricades are being re-erected across main roads and many dozens of arrests and injuries have been demanded more army action to combat the latest upturn in the eight-month uprising.

In scenes which foreign residents said were reminiscent of the worst days of the intifada in February and March, the centre of Gaza City has once again

enter with an army escort.

Justifying his decision to reimpose a total curfew on the Gaza Strip, home to 650,000 Palestinians, the Defence Minister told Israeli Radio that intelligence information had indicated that Moslem fundamentalists were planning a general strike and clashes with the army.

The Defence Ministry has also begun to move against international relief agencies

through the laborious process of transcribing the tape recordings of all Mr Gray's conversations for the past three months, which is as far back as recordings are kept.

The recordings run for nearly 400 hours and filtering out the background noise of the often rowdy dealing room is difficult. The investigators believe that Mr Gray's conversations suggest similar ones in the past.

Mr Liggins has so far admitted nothing more than a breach of his employer's dealing rules. Mr Gray, however, has made a fuller confession and Ms Rowlands has admitted passing on the information to

Continued from Page 1

Jack Kemp of New York, the former American football star, the youthful Senator Dan Quayle of Indiana, the ramunctuous Mr William Bennett, outgoing US Education Secretary, and Senator William Armstrong of Colorado, the religious anti-abortionist.

The more moderate runners such as Sen. Robert Dole and his wife Elizabeth, former Transportation Secretary, are also making their own play in regular TV appearances, in what has become a public audition for the nation's second top job.

The Bush campaign insists it will not be strong-armed. Some observers believe Mr Bush has handed concessions to the conservatives such as Congresswoman

through the laborious process of transcribing the tape recordings of all Mr Gray's conversations for the past three months, which is as far back as recordings are kept.

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Continued from Page 1

oil prices would rise if the Organisation of Petroleum Exporting Countries, said yesterday he would fly to Iran in the last week of August to try to secure an Opec output quota for Iraq equal to Iran's limit of 2.35m barrels per day. Reuter reports from Caracas.

Opex fears that Iran and Iraq will try to pump more oil to increase revenue to aid post-war reconstruction.

However, Gen Subroto said

oil prices would rise if the Organisation of Petroleum Exporting Countries could secure a parity between the two neighbours by putting both at Iran's current 2.35m bpd quota.

To achieve a price increase on the world oil market in the third quarter of this year, Gen Subroto said Opec would have to reduce its overall output to below 17.5m bpd. He declined to give his estimate for Opec's current output level.

Continued from Page 1

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WORLD WEATHER

Alaska	Argentina	Australia	Austria	Azerbaijan	Bahrain	Bangladesh	Barbados	Bolivia	Bosnia	Bulgaria	Burkina Faso	Burundi	Cambodia	Cameroon	Canada	Chad	Chile	China	Colombia	Congo	Congo, Rep.	Cote d'Ivoire	Croatia	Cuba	Cyprus	Czechoslovakia	Denmark	Egypt	Ecuador	Egypt, Rep.	El Salvador	Equatorial Guinea	Eritrea	Eswatini	Egypt, Rep.	Finland	France	Germany	Greece	Honduras	Iceland	Iraq	Ireland	Italy	Japan	Kenya	Latvia	Lithuania	Malta	Morocco	Moldova	Mongolia	Morocco	Mozambique	Namibia	Nepal	Nicaragua	Niger	Nigeria	Oman	Pakistan	Papua New Guinea	Peru	Philippines	Poland	Portugal	Romania	Russia	Rwanda	Saint Lucia	Saint Vincent	Saudi Arabia	Singapore	Slovenia	Somalia	Sri Lanka	Sudan	Taiwan	Togo	Tunisia	Uganda	Ukraine	Uzbekistan	Venezuela	Yemen	Zambia	Zimbabwe

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NEW ISSUE

This announcement appears as a matter of record only.

August, 1988



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THE COUNTRY

Brunei Darussalam is in North West Borneo and borders onto Sarawak. It has a population of around 226,500. Malays make up around 155,500, the Chinese 41,500 and indigenous peoples some 11,500. There is a large foreign community working in Brunei, which is drawn from all over the world.

The Sultanate of Brunei Darussalam is a Malay Muslim monarchy which rose to prominence during the 14th to the 16th Centuries. Brunei Darussalam is guided today by the same dynasty—one of the world's oldest ruling families. His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, The Sultan and Yang Di-Pertuan is the 29th ruler and has been on the throne since 1967.

Today, Brunei has a cabinet style government, made up of eleven ministries headed by His Majesty, The Sultan and Yang Di-Pertuan as Prime Minister.



WHAT YOU SHOULD KNOW ABOUT BRUNEI DARUSSALAM

INTERNATIONAL STATUS

Brunei Darussalam resumed its full independence in 1984. Soon afterwards it joined the Association of South East Asian Nations—ASEAN. Brunei is committed to play its part to ensure that ASEAN remains a viable and effective association.

The Sultanate remains a member of the Commonwealth and values highly its links with the United Kingdom and other Commonwealth members.

Today, the Sultanate is a member of the United Nations, The Organisation of Islamic Conference and many other international bodies. In addition, Brunei maintains diplomatic relations with some 42 other states.

**ACHIEVEMENTS
SINCE INDEPENDENCE**

Following resumption of full independence in 1984, Brunei's record of achievements encompasses impressive economic development, sustained social progress and a major effort to diversify the country's economy away from over dependence on oil and gas.

Brunei's economy has one of the highest per capita incomes in the world. The government is determined to ensure that the country enjoys a well balanced development. Civil aviation, communications, housing, education and social welfare are all priority areas in which good progress has been made.

places emphasis on building up industry in non-energy sectors, fostering private enterprise and developing job skills among the local workforce. Brunei's Ministry of Development is able to offer a whole variety of advice and aid packages for schemes that accord with the plan.

For a copy of 'Brunei Darussalam—In Profile', due to be published in October, please complete and post the coupon below to The High Commission of Negara Brunei Darussalam, 49, Cromwell Road, London, SW7 2ED.

NAME _____
COMPANY _____
POSITION _____
ADDRESS _____

INTERNATIONAL COMPANIES AND FINANCE

K mart achieves record second-quarter earnings

By Martin Stanbridge in New York

K

MART, the world's second largest retailer, yesterday reported record second-quarter sales and earnings, helped by a policy of lowering shelf prices.

The Troy, Michigan-based group reported net income for the 13 weeks ended July 27 up 14 per cent at \$16.8m, or 81 cents per share, from \$14.5m or 71 cents in the same period a year earlier.

Sales rose 8 per cent to \$2.68m from 1987's \$2.5m. Sales on a comparable store basis—those stores open at least one year—were up 2.1 per cent.

Gross margins for the quarter meanwhile fell to 26.9 per cent from 27.2 per cent because of K mart's lower price.

On the outlook for the rest of the year Mr Antonini said: 'We

believe we will be seeing an improving environment in the second quarter and a continued strengthening of K mart's position in the market place.'

He added that inventory and expense controls were improving with 916 K mart stores linked to the group's point-of-sale system, enabling better management of sales, inventory and labour costs.

First-half net income rose by 10.2 per cent to a record \$22.3m or \$1.41 per share, from \$20.9m or \$1.28 a year earlier. Sales increased 5.3 per cent to \$12.53m, up from \$11.9m in the first six months of 1987. Comparable store sales for the 26-week period increased 1.8 per cent.

Roman executive quits

MR C.D. (Chuck) Parmelee has resigned as president and chief operating officer of Roman Corporation, the holding company for the late Mr Stephen Roman's Canadian resources and industrial empire, writes Robert Gibbons in Montreal.

This leaves the way open for Mrs Helen Roman-Barber, Mr Roman's daughter who is chairman and chief executive, to appoint her own second-in-command. Mr Roman died in

the spring this year, after having developed what became Canada's second largest uranium producer.

Mr Parmelee resigned because of differences with Mrs Roman-Barber about policy directions, the company said.

He also resigned senior positions with two Roman subsidiaries, Lawson Mardon, the packaging and printing concern, and Denison Mines, the uranium producer.

An injunction restraining

ATV from showing the games exclusively came after a year of squabbling over rights to the Seoul Olympics between itself and Hong Kong's other television station, Television Broadcasts (TVB). The judge said there had been an oral agreement to share coverage.

Asia Television loses Olympic court contestBy Michael Murray
in Hong Kong

ASIA TELEVISION (ATV), the Hong Kong TV station recently restructured in a HK\$410m (US\$2.5m) deal, which saw two-thirds of the station change hands, yesterday lost its court battle exclusively to broadcast the Seoul Olympic Games in the territory.

An injunction restraining ATV from showing the games exclusively came after a year of squabbling over rights to the Seoul Olympics between itself and Hong Kong's other television station, Television Broadcasts (TVB). The judge said there had been an oral agreement to share coverage.

Gulf bank raises profit by 14.3%

GULF International Bank, the Bahraini bank owned by seven Gulf states, raised its net-tax profits by 14.3 per cent in the first half of 1988 to \$25.4m, up from \$21.9m because of provisions due to its heavy Third World loan exposure.

The bank's capital resources

are to be increased by \$11m through an issue which will be paid in by the end of the year.

Last year GIT made a loss of \$17.9m because of provisions due to its heavy Third World loan exposure.

The company said its net earnings for the year to \$225.1m or \$2.83 per share, 21.7 per cent ahead of 1987's \$207.1m or \$2.85, on sales of \$104m against \$92m.

Mr John Bryan, chairman and chief executive, said: 'All our businesses performed well as solid gains in unit volumes continued to drive growth. Our outlook continues to be very positive and we anticipate that earnings per share in fiscal 1989 will grow at a rate comparable to the strong growth we enjoyed over the past five years.'

The packaged foods activities recorded strong gains, with the packaged meat division posting an 8 per cent gain in unit volume for the year. Sara Lee Bakery, formed

by combining Kitchens of Sara Lee and Chef Pierre, increased unit volume by 10 per cent, while the coffee and grocery segment also showed strong gains with unit volume up 7 per cent.

The food service activities showed solid gains. PYA/Monarch, the main business of this segment, recorded a 10 per cent rise in unit volume. In the Sara Lee packaged consumer products group, the knitted goods operation recorded a 25 per cent rise in unit volume.

MANAGING ITS ECONOMY

The Government believes in sound monetary and fiscal policies based on a secure balance of trade and substantial foreign exchange reserves, and investments. It has a balanced budget and no national debt.

There is no personal taxation and company taxation is at 30 per cent. Brunei has a double taxation agreement with the United Kingdom. The national currency—the Brunei dollar—is at parity with the Singapore dollar.

The Brunei Investment Agency manages one of the world's largest investment portfolios with holdings in several major economies. The BIA has an office in London and is managed from its headquarters at the Brunei Ministry of Finance.

NATIONAL DEVELOPMENT PLAN

Brunei's national development plan covers the period 1986-1990 and aims to diversify the economy with planned total expenditure of B\$16.2 billion. It

INTERNATIONAL COMPANIES AND FINANCE

Dilemma over direction at Norsk Hydro

Karen Fossli on choices facing the large Norwegian group over its aluminium unit

Last month's announcement of NKR1.25bn (\$33m) in losses at Norsk Hydro's aluminium trading unit has cast a dark shadow over what should otherwise have been a sterling reception for record half-year profits at Norway's largest publicly quoted company.

The losses, incurred by Hydro Trading, a trading unit of Hydro Aluminium, also present a dilemma for Norsk Hydro, its parent. On the one hand it must see the necessity for pulling in the reins on the unit while on the other hand the group is currently decentralising its operations.

Norsk Hydro acquired full control of Hydro Aluminium in May when it purchased the Norwegian Government's remaining 30 per cent stake for NKR1.65bn.

The acquisition brought with it full responsibility for the now troubled Lausanne-based trading unit and four metal groups, including four smelters on the west coast of Norway, a share of production at South Norway Aluminium and from two US smelters.

The root of the aluminium subsidiary's problems lie solely with the trading unit, which until the first half of this year had seen profits steadily rise. The unit was originally established in 1980 to "optimise the flow of products and raw materials in the aluminium division" and was operated from Oslo. Hydro Aluminium, which is reluctant to give operating figures for the trading unit, said that at that time annual earnings were in the range of NKR1.6m.

In the first full year of operation, Hydro Trading moved between 250,000 and 300,000 tonnes of primary metal, 1m tonnes of bauxite and 2m tonnes of alumina.

However, by 1987 earnings had increased significantly to between about NKR30m and NKR100m, and Kleinwort Gruen Securities, the London-based brokerage, has estimated present annual turnover of the trading unit to be \$1bn.

As aluminium operations grew and became more international, the scope of trading became so large that Hydro decided to move the unit as a separate profit centre by 1985 and to relocate to Lausanne. Other trading operations were also established in Tokyo, Australia and the US.

But in early July, Hydro Aluminium suffered losses of NKR50m when Euro-Continental, one of its clients trading in aluminium, went bankrupt.

As confidence in Hydro Aluminium slipped, Norsk Hydro was forced to pump in \$20m of fresh capital to help restore confidence in the trading arm. Hydro Trading has a visible presence on the highly volatile London Metal Exchange, and bases its metal transactions on the exchange's prices.

For Hydro Trading, the root cause of the Euro-Continental loss and NKR14m in other trading losses was the shortage of base metals. For most of the year, LME metal contracts have been in backwardation, the situation when users are so desperate for material that they pay a cash premium over the price for future deliveries. Normally the forward price would be higher, reflecting the extra cost of storage.

Backwardation is not unusual, but the size of the premiums asked for immediate delivery has reached record levels. Backwardation of such proportions combined with highly volatile prices make it difficult for producers and users to hedge their risks.

LIGHT METALS
UNIT BUSINESS
PROFILE (NKRbn)

	1987	1988
Operating Revenues	13.2	10.5
Operating Income	1.53	0.87
Capital spending	1.53	1.53
Depreciation	0.91	0.65

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It is in this situation that Norsk Hydro became a loser. The company says that it will depend on future market prices at least a year ahead before it will have indications about how the trading unit will develop.

But the problems at Hydro Trading have been compounded by the alleged business misconduct of two former senior executives. Mr Frode Gjoen, who headed the unit, and Mr Peter Cleave, a Briton, who was his deputy.

Both executives are no longer with the company and are being investigated by Swiss police for allegedly transferring company commissions, so far estimated at NKR1.6m, into private accounts.

Separately, both former executives are accused by the parent company of exceeding the company's limits on trading. Mr Gjoen has been replaced by Mr Elvind Hagen, a senior Norsk Hydro executive, while

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Mr Ivar Hafset, who heads Hydro Aluminium's extrusion operations in Lausanne, has been appointed chairman of the board.

Norsk Hydro says that it is

to tighten administration systems and control routines at Hydro Trading. Mr Hafset said that although the unit is a valuable and integrated part of Norsk Hydro, the parent company is studying its current organisational structure.

There are risks, however, in this process. Mr Philip Lambert, a senior analyst with Kleinwort, fears that there is the potential to overdo a "hitting down" of Hydro Trading's hatches.

It is a problem once you've taken a hit because there is the tendency to be once bitten twice shy. This could inhibit the sort of environment in which trading must be done because its very nature has to be risk-oriented with a degree of laxity of freedom for it to function," he said.

Last year, Hydro Aluminium took over state-owned ASV to form the second largest aluminium producer in Europe behind Pechiney, and the seventh largest producer worldwide. The subsidiary produces more than 600,000 tonnes annually of primary aluminium in Norway. In addition, it has at its disposal 200,000 tonnes of production in the US.

Hydro Aluminium's extrusion group, also based in Lausanne, comprises 17 extrusion plants in eight European countries and the US for which operating margins have been satisfactory.

The fabricating group comprises two Norwegian rolling

mill which have, however, been operating with decreasing margins, a foil mill in Denmark and component foundries. The acquisition also brought with it the technology group.

These activities comprise the main part of the light metals division, which accounts for 20 per cent of Hydro's overall business. The three other main business sectors are oil and gas (20 per cent of sales), agricultural products (48 per cent) and petrochemicals (6 per cent).

In the first half of 1988 the light metals division lifted operating lifted to NKR1.85bn from NKR1.707bn contributing to record net profits for the period of NKR1.844bn.

Given Norsk Hydro's diversity, Mr Lambert says the company should not be evaluated solely on the basis of the problems at Hydro Trading. Indeed, Kleinwort says Norsk Hydro is an "undiscovered undervalued stock" which is primarily driven by Wall Street.

Eighteen per cent of the investors are Americans who are slowly accumulating holdings to prepare for the time when the state sheds all or part of its 51 per cent stake in the group.

Kleinwort says that Norsk

Hydro has "immensely strong cash generation, but a debt of \$4bn and a continuing level of capital expenditure of \$5.5bn (in 1988) which is eating up organically generated cashflow."

However, there is "infinite" scope for cost-cutting on the aluminium side, says Kleinwort. "In retrospect, the calamities of 1986, when commodity prices were low, sharpened the edge of cost-cutting" to the benefit of the company.

\$600,000,000

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Agent



BANK OF BOSTON



TRUSTHOUSE FORTE PLC

NOTICE OF AN ADJOURNED MEETING

of the holders of the outstanding

41,225,000 Warrants to procure the

subscription of Ordinary Shares of 25p each of

Trusthouse Forte PLC

Notice is hereby given that the Meeting of the holders of the above Warrants (the "Warrant Holders") convened by Trusthouse Forte PLC (the "Company") for 27th July, 1988 published by the Financial Times is adjourned through lack of quorum and the adjourned meeting of Warrant Holders will be held at 100 High Holborn, London WC1V 7ET on Friday 28th September 1988 at 10.30 a.m. (London time) for the purpose of considering and, if thought fit, passing the following Resolution in accordance with the provisions of the instrument by way of Deed Poll (the "Deed Poll") dated 10th March, 1987 made by Chase Manhattan Bank Luxembourg S.A. (the "Bank").

EXTRAORDINARY RESOLUTION

"That this Meeting of the holders of the outstanding 41,225,000 Warrants (the "Warrants") to procure the subscription of 41,225,000 Ordinary Shares of 25p each of Trusthouse Forte PLC (the "Company") the terms of which are governed by an instrument by way of Deed Poll dated 10th March, 1987 (the "Deed Poll") in favour of the holders of the Warrants (the "Warrant Holders") hereby:

approves and sanctions the purchase and cancellation by the Company of Ordinary Shares of 25p each to the capital of the Company up to a maximum aggregate amount of seventy-eight million, two hundred and forty-nine thousand, nine hundred and sixty (78,249,600) such shares. The Company would only re-purchase its own shares if its Board considers that such a re-purchase would result in an increase in expected earnings per share and would be the best interests of the Company.

The Company has accordingly convened a Meeting of the Warrant Holders by this Notice to request their agreement by Extraordinary Resolution to the matters contained in such Extraordinary Resolution.

The Company considers that the proposed resolution contained in the Extraordinary Resolution set out above is fair and reasonable in the circumstances and, accordingly, the Company strongly urges all Warrant Holders to vote in favour of the Extraordinary Resolution.

The attention of Warrant Holders is particularly drawn to the quorum required for the adjourned Meeting which is set out in paragraph 2 of "Voting and Quorum" below.

Copies of the Deed Poll (including the Terms and Conditions of the Warrants) will be available for inspection by Warrant Holders at the specified offices of the Bank, Cedel S.A. and Euro-clear set out below.

In accordance with normal practice the Bank expresses no opinion on the merits of the proposed resolution but has authorised it to be stated that it has no objection to the Extraordinary Resolution being submitted to the Warrant Holders for their consideration.

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INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Go-ahead for continuous trading
Haig Simonian on a new challenge for Germany's bond dealers

Continuous trading in a variety of West German government bonds should begin on the country's eight stock exchanges from October 1 this year, potentially boosting liquidity and transparency at a time of new challenges for Germany's stock markets.

The move to continuous trading, which has been under consideration for some time, has been brought forward from January next year to the beginning of October, partly in response to the new German government bond futures contract due to start trading on the London International Financial Futures Exchange on September 29. The innovation is also designed to match similar moves to greater flexibility on other European bourses, say some dealers.

German government bonds (Bunds), and to a lesser extent issues from the federal railways and post office, are traded in very high volumes

outside normal stock exchange hours by both domestic and foreign banks in the interbank market. However, the Bundesbank itself only participates actively during official hours trading between 11.30am and 1.30pm.

The new plan, which has been discussed at length with the Bundesbank, would allow for official prices to be set continuously throughout the bourse trading hours. As matters stand, official prices are set only once at around 12.00pm, 1.20pm, when buy and sell orders are matched and the central bank potentially intervenes to ensure an order is to be filled.

Trading also takes place between banks on the bourse, but only as principals. Many institutions, such as investment funds, are legally prevented from buying or selling bonds at prices less advantageous than those officially set, thus limiting their freedom of action. Following the change,

such investors would be able to deal freely throughout the official trading session.

The move to continuous trading will at first affect 23 issues, comprising 12 federal government bonds, five government savings bonds, one issue from the federal railways and five from the federal post office.

However, all future federal government, railway and post office bonds will be continuously traded during official stock exchange hours provided they are of a minimum DM200 in size. A minimum order size of 100 is to be maintained.

According to dealers, the new measure should boost government bonds trading on exchanges at the expense of the existing over-the-counter (OTC) market. However, OTC dealing may still be advantageous, as transactions on the stock exchange are subject to brokers' dealing fees.

The change may also

strengthen the hand of banks trading on the stock exchange against foreign institutions dealing in German government bonds via screens, as the new continuous trading will allow more transparent, published prices.

However, the new venture still requires approval from certain state governments, which are ultimately responsible for stock exchange trading.

Its sponsors are also seeking a reduction in brokers' fees. Although the rates charged depend on the basis of volume, the current level of fees is felt to be too high once continuous trading is introduced.

Also among the details to be settled is the role of the Bundesbank. Dealers say the existing system of one official price fixing is to continue under the new system, with the central bank reserving the right to step into the market during continuous trading if it sees fit, though in what circumstances remains unclear.

At an extraordinary general meeting, shareholders approved changes to the group's articles of association allowing directors to issue shares with nominal foreign currency value.

For the bank, which has a large proportion of its assets and earnings in major foreign currencies, the move lets it keep a similar proportion of its capital in foreign currencies. For shareholders, it offers a choice of currency exposure.

A statement said the new class of share would have rights and entitlements to dividends, new issues and distribution linked to movements in the exchange rate between the Australian dollar and the relevant foreign currency.

But Mr Will Bailey, group chief executive, said there were no immediate plans to issue the shares.

In a separate but related announcement, the bank said it planned to raise up to US\$600m through the issue of floating-rate notes to institutional investors in the international capital market.

The issue, which is being arranged by Morgan Stanley International, will be of notes which are undated, subordinated and, under certain conditions, redeemable into ANZ shares at market value.

Mr Bailey said the proceeds would be used to support the group's international business operations and would qualify as "tier two" capital under the Reserve Bank's new guidelines.

Last month the group announced a one-for-six rights issue to raise A\$457m (US\$366m). The issue was priced at A\$3.60 a share.

The fundraising, which was also designed to increase the group's capital ratio, followed earlier rights issues from the bank's two principal competitors, Westpac and the National Australia Bank.

ANZ acts on exchange rates impact

By Chris Sherwell
in Sydney

THE AUSTRALIA and New Zealand (ANZ) banking group, Australia's second largest commercial bank in terms of assets, announced two moves yesterday to help moderate the impact of exchange rate movements on its capital ratio.

At an extraordinary general meeting, shareholders approved changes to the group's articles of association allowing directors to issue

shares with nominal foreign currency value.

For the bank, which has a large proportion of its assets and earnings in major foreign currencies, the move lets it keep a similar proportion of its capital in foreign currencies. For shareholders, it offers a choice of currency exposure.

A statement said the new class of share would have rights and entitlements to dividends, new issues and distribution linked to movements in the exchange rate between the Australian dollar and the relevant foreign currency.

But Mr Will Bailey, group chief executive, said there were no immediate plans to issue the shares.

In a separate but related announcement, the bank said it planned to raise up to US\$600m through the issue of floating-rate notes to institutional investors in the international capital market.

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Eurodollar issues drift ahead of US trade data

By Dominique Jackson

THE EUROBOND market spent yesterday virtually on hold ahead of today's US trade report for July. A public holiday for the Roman Catholic feast of the Assumption in much of continental Europe added to the subdued tone. Business in most sectors was confined to professional position-squaring and new issue activity was also limited.

Eurodollar bond prices drifted easier in low volumes with dealers reluctant to take positions ahead of the trade figures. Stronger than expected US industrial production data for July and a marginally softer tone to the dollar on the foreign exchanges merely contributed to the lacklustre tone.

In contrast, fairly brisk two-way interest was detected in the sterling-denominated sector of the market. Gilts edged up slightly through the session. Selkirk House took the lead in the market now because its participation in the Eurodollar market is now broader.

Nikko Securities brought a new coupon Y7m seven-year deal for a unit of Shropshire, which was priced at 71.277, per cent. It was not expected to trade widely.

Although the market is still subdued, partly due to holidays, the marked slowing in new issuance has helped buoy sentiment in the sector somewhat. Selkirk met a fair reception and was trading well within fees by the end of the day.

In the primary markets, Yamachi International was the lead manager on the long-anticipated \$300m equity warrant deal for Selkirk House, Japan's largest private sector constructor of single-family home units. The coupon on the four-year deal was indicated at 4.64 per cent, 1/4 point above the level on last week's equity warrant.

Only a couple of years ago, public issues on the international capital markets by the building societies appealed almost exclusively to the UK institutions which were familiar with their names. However, the success of recent issues in sectors such as US and Canadian Eurodollar bonds seem to indicate that the investor base has now broadened.

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estate and arms, said in its annual report it earned 18m yuan last year, compared with 12m yuan in 1987.

Interest income surged to 35.7m yuan, from 28m yuan a year earlier. While investment income climbed to 14.5m yuan from 5.2m yuan.

Citic boosted by Chinese reforms

CHINA'S state-run China International Trust and Investment (Citic) reported a 57 per cent rise in profits last year and linked the gains to the country's economic reforms, writes Our Staff Writer.

Citic, which has interests ranging from banking to real

Korean banks to choose chiefs

By Maggie Ford in Seoul

By Tony Hawkins
in Harare

ZIMBABWE'S state-owned reinsurance corporation has taken over the British-owned Legal and General Assurance Company in Zimbabwe - the country's second-largest life assurance company.

Legal and General Zimbabwe has a life fund of some US\$35m and employs some 275 people. The company's general manager said the takeover and localisation of ownership would enable it to operate more flexibly.

Recent Zimbabwe legislation requires all insurance companies to have a majority local equity shareholding. Legal and General says it will remain a consultant to the Zimbabwe Reinsurance Corporation, while a London-based company - Hymans Robertson and Company - will take over as consultant actuaries to Legal and General Zimbabwe.

The Legal and General distinction is believed to be the largest to date by a British company, although there have been a number of more substantial investments by South African companies.

The earnings came on sales of \$1.65bn, up 12.6 per cent on the \$1.5bn revenue figure for 1986-87. Other revenues were

up 12.6 per cent to \$1.25bn. Net profit was up 12.3 per cent to \$100m.

Commercial banks in South Korea are to be allowed to choose their own presidents, under a new ruling issued by the Ministry of Finance, which previously controlled appointments to top banking posts.

But the Ministry is to exclude large shareholders from having a say in the appointment, to prevent the country's conglomerates from gaining control over the banking sector.

The Government also plans to reduce credit ceilings allowed to large shareholders from 25 per cent of net worth to 15 per cent.

Large conglomerates hold

ing interests as well as tobacco operations, is 50 per cent owned by Rothmans International. So far the parent has shown no inclination to alter its holding.

Yesterday's results took earnings per share up to 73 Australian cents from 62 cents. Directors announced a fully franked final dividend of 14 cents, up from 11 cents, making 26 cents for the year.

ROTHMANS HOLDINGS, the Australian arm of the UK-based tobacco group Rothmans International, reports net profits of A\$71.4m (US\$57.1m) for the year to June, an 18 per cent increase on the previous 12 months, writes Chris Sherwell in Sydney.

The earnings came on sales of A\$1.65bn, up 12.6 per cent on the A\$1.5bn revenue figure for 1986-87. Other revenues were

down from A\$23.3m to A\$19.5m.

The results were announced as the group continued to resist pressure for board representation from Industrial Equity (IEI), the company which controls the Australian interests of New Zealand entrepreneur Sir Ron Brierley.

IEI also plans to reduce credit ceilings allowed to large shareholders from 25 per cent of net worth to 15 per cent.

Rothmans Holdings, which with confectionery and packaging

units, is 50 per cent owned by Rothmans International.

IEI has been pushing for a rights issue to raise A\$100m to A\$120m.

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UK COMPANY NEWS

Alba throws down a challenge to Amstrad

By Clay Harris

ALBA, the consumer electronics distributor, is to mount a head-on challenge to Amstrad in the market for satellite broadcast receivers. It has bought 80 per cent of Satellite Technology Systems, a Bristol-based design group.

Mr John Harris, Alba chairman, said yesterday that Alba planned to match the £199 retail price announced by Amstrad for dishes to receive broadcasts from Astra, the Luxembourg-based satellite project. Alba's receivers are due to be in UK shops by the end of the year, in time for the beginning of Astra's broadcasts early in 1989.

The basic dishes, as well as a £250 model with infrared remote control, will be sold under the Alba name. However, by the end of 1988, the group plans to market television sets incorporating microchips allowing reception of programmes from the rival British Satellite Broadcasting. These will be sold under the venerable Bush brand.

STS, which employs 12 people, will become Alba's high technology design arm and will remain in Bristol. Mr Harris said, in the seven months to last October 31, a period during which product development was being completed, STS's pre-tax loss of £246,823 exceeded its £20,511 turnover.

Alba bought its stake from TVS Entertainment, the former Television South (which held 65 per cent) and from the consultancy's founders. Two of the latter, Mr Michael Stone and Mr Nicholas Heckford, will retain 20 per cent of the shares, over which Alba has an option to buy on a performance-linked formula between 1988 and 1985.

In total, Alba is paying £36,000 and assuming STS's group debts of £280,000. STS says net liabilities at completion did not exceed £400,000.

Noble and Lund surges to £1.14m midway

Noble and Lund, specialist engineer and consumer products company, made strong progress through the opening six months of 1988, raising pre-tax profits for the period from £413,000 to £1.14m at the pre-tax level. For 1987 as a whole, pre-tax profits totalled £1.47m.

The company has been active on the takeover front over the past 12 months. Mr Roger Looker, chairman, said yesterday that there were outstanding opportunities for organic expansion within the consumer products division and that a number of acquisition situations were currently being reviewed.

For the six months to end-June, turnover pushed ahead from £5.81m to £5.95m. Interest charges accounted for £411,000 (£173,000) while tax took £206,000 (nil).

Earnings per 10p share emerged at 5.87p (4.93p) basic and 5.69p (4.24p) on a fully diluted basis. The interim dividend is £1p.

Oceonics halves losses and hopes for preference

By Clare Pearson

OCEONICS GROUP, the communications technology and offshore services concern of which American father-and-son team Mr Tony and Mr John Bryan took control six months ago, more than halved its losses to £1.9m in the year to the end of March.

Mr John Bryan said that the company should show a profit in the current year for the first time since 1985 and that it intends to resume dividend payments to preference shareholders, though not to ordinary shareholders.

Oceonics, hard hit by the recession in the offshore supplies industry, was heavily borrowed until the Bryans, together with Euroequities, investment company, and York Trust, the mini-merchant bank, provided a £2.5m capital injection.

tion in return for a controlling stake earlier this year.

Mr Tony Bryan, 64, chairman, was previously head of Copperweld, a US steel products manufacturer.

Rationalisation measures taken by the Bryans over the past six months have included merging the technical services and equipment rental divisions, and reviewing the group's pricing structure to maximise higher-margin areas.

Mr Tony Bryan said: "Demand for the group's services from traditional customers was stronger than in past years, reflecting the more stable market environment for the oil and gas industry, while Oceonics had seen some benefits from the growth in laying of underwater telecommunications lines."

Out of turnover of £16.75m (£20.95m) in the last year, SPL accounted for about 27 per cent, technical services 43 per cent and equipment sales and rental 24 per cent.

The £1.9m loss on ordinary activities compared with losses of £4.6m in the previous year and was after a £362,000 exceptional loss relating to the settlement of an outstanding claim in respect of an alleged breach of warranty. A loss on disposals of £362,000 was taken below the line.

The loss per ordinary share before the extraordinary item was 6p (12.5p). After the March capital infusion of 7.5m new ordinary shares at 10p each, the investing group led by the Bryans held 65 per cent of the enlarged share capital.

Dominion reduces oil stake

By Nikki Tait

Dominion International, financial services company run by Mr Max Lewinson, yesterday announced that it has reduced its stake in Southwest Resources from 49 per cent to 31 per cent.

The reduction results from the sale of 6.24m shares in Southwest, an oil and gas company whose shares trade on the USA, at 16p a piece.

around 81m in total. Dominion said that the sale "is in line with its stated policy of reducing its involvement in the oil industry." It had already cut the holding from 59 per cent, through an earlier share placing.

However, the company added yesterday that it was still having discussions with a couple of parties over its

remaining interest in Southwest.

In the past, there has been speculation that Dominion would sell the stake to a single buyer, but one mooted possibility at present is that an outside party could inject certain assets in return for a tranche of equity.

Yesterday, Southwest shares gained 4p to 16.5p.

EIS in \$8.54m US purchase

By David Waller

EIS GROUP, a specialist and high-technology engineering company, is spending \$8.54m (£5m) on buying the Stokes Vacuum division of the Pembridge Corporation in the US. This is EIS's sixth acquisition in the last year.

Stokes Vacuum is a supplier of high-vacuum pumps and systems for use in the pharmaceutical, food, chemical, electronics and metallurgical industries. Its main factories are in the US, but it also has

facilities in the UK and France. Mr Peter Haslehurst, EIS chief executive, said there was a considerable degree of product synergy between Stokes and EIS's existing pump subsidiary, Hick Hargreaves of Bolton, Lancashire.

Marketing and production benefits would help turn Stokes back into the black, he said. Last year, it incurred a trading loss of \$1.7m on turnover of \$27.2m, after disruption caused by a major reorganisation.

The book value of its assets is equivalent to the purchase consideration, which is payable in cash in several instalments.

The first of these is a \$2.5m tranche payable on completion, to be followed by \$200,000 after four months. The balance is payable in two further payments on the first and second anniversary of the deal.

EIS recently announced an 18 per cent increase in its 1987 pre-tax profits to £8.3m.

Caird signals Wistech interest

By Clay Harris

CAIRD GROUP, acquisitive waste disposal company headed by Mr Peter Linacre, yesterday signalled that it had not buried its interest in Wistech, specialist cleaning and materials group, when an agreed takeover bid collapsed.

Caird has bought 5.1 per cent of Wistech at 50p per share.

Wistech - its shares are traded on the over-the-counter market - last week announced the creation of a joint venture in Scotland with privately-owned L&C Wastech Management Services.

Caird bought the 5.1 per cent stake after being released from a confidentiality agreement entered into as part of the bid negotiations.

Return to the black for Astra

ASTRA TRUST returned to profit at the pre-tax level in the year to April 30 1988. At £56,000 the figure compared with a £236,000 loss in the comparable period of the previous year. The turnaround was achieved on turnover ahead 23 per cent from £4.7m to £5.8m.

Earnings per 10p share emerged at 5.87p (4.93p) basic and 5.69p (4.24p) on a fully diluted basis. The interim dividend is £1p.

against previous losses of 2.5p. He was confident of further progress in the year ahead.

Lawrence & Wightman and Capricorn Communications, acquired in August, were both trading up to expectations within the property and finance services divisions.

Apart from these activities Astra has interests in engineering and leisure.

SHARE STAKES

The following changes in share stakes were announced recently.

APPLIED HOLOGRAPHICS: Globe Investment Trust has raised its stake to 9.84 per cent.

BARR AND WALLACE ARNOLD: Mr Harry Firth has increased his holding to 134,375 ordinary (11.01 per cent).

CALEDONIA INVESTMENTS: Independent Equity (Pacific), through a wholly-owned subsidiary, is now entitled to 8.85m ordinary (6.19 per cent).

CAMBRIDGE ISOTOPES: Mr Giles Lissle, holder of 4.37m (34 per cent) common stock, has sold 300,000 under an arrangement with the company covering the sale or redemption of such stock over a five-year period.

CARADON: Elektra Investment

following the acquisition of 600,000 ordinary.

COMMERCIAL UNION: G A Duncan Pty and connected companies have reduced their holding from 33.2m ordinary to 29.1m (6.91 per cent). The holding is entirely in the name of Oilee Investments.

EVR GROUP: National Westminster Bank (as trustee) now holds 1.07m ordinary.

GLASGOW INCOME TRUST: EFT Group (formerly Edinburgh Financial Trust) has sold its entire holding of 1.45m ordinary (5 per cent).

ROMNEY TRUST: Holdings under the management of Prudential Group amount to 6.83m ordinary (22.32 per cent).

TAKARE: Singer and Friedlander Group and its subsidiaries are beneficially interested in 980,766 ordinary (11.24 per cent).

TECHNOLOGY PROJECT SERVICES: Electra Investment Trust has disposed of 382,280 ordinary and no longer has a notifiable interest.

PARKWAY GROUP: Lowe Howard-Spink and Bell has disposed of 200,000 ordinary at 22.55 each and now has a residual holding of 1.6m.

PORTALS: Industrial Equity (Pacific) of Hong Kong, through a wholly-owned subsidiary, is the beneficial owner of 3.06m (5.2 per cent).

UTC GROUP: Mr J Mattock, director, has bought 75,000 ordinary at 20p and is now interested in 1.2m (7.6 per cent).

WATERFORD GLASS GROUP: Allied Irish Investment Managers now holds between 5 and 10 per cent of the share capital.

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FINANCIALTIMES
EUROPE'S BUSINESS NEWSPAPER

T&N \$11m turbine expansion

By Clay Harris

T&N, the engineering group, is to pay \$11m (£6.4m) in cash for two Florida companies specialising in the precision casting of gas-turbine components for aircraft engine manufacturers.

The £1.97m loss on ordinary activities compared with losses of £4.6m in the previous year and was after a £362,000 exceptional loss relating to the settlement of an outstanding claim in respect of an alleged breach of warranty. A loss on disposals of £362,000 was taken below the line.

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On the move in Europe

Interim Report

	Six Months to 30th June 1988	Six Months to 30th June 1987	% Change
Profit before tax (£m)	20.4	18.1	+12.7
Earnings per share	9.06p	7.91p	+14.5
Dividend per share	3.0p	2.25p	+33.3

■ Our UK transport and warehousing profits were up, but cold stores, with EEC stocks rapidly diminishing, turned in reduced profits. Our plant hire and recruitment companies showed a good increase.

■ Elsewhere in Europe, profits were broadly in line with the previous year.

■ Our Australian companies delivered much improved profits, but our US transport companies fared less well.

■ Two 1988 acquisitions came too late to affect the half-year results: The Chicago-based Willett group of transport businesses was purchased and a majority interest was purchased in Innocenti Freres SA, a French company specialising in the transport of chemicals and petroleum products.

■ Despite the drop in contribution from the cold store companies, trading at present remains reasonably buoyant.



WAREHOUSING DISTRIBUTION AND COLD STORAGE IN THE UNITED KINGDOM, FRANCE, ITALY, THE UNITED STATES AND AUSTRALIA

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Transport Development Group PLC

Unilever

SECOND QUARTER RESULTS

Operating profit rises 14% to £405 million

The outlook for the year is encouraging

Operating profit (at constant rates of exchange) for the second quarter rose by 14% over the corresponding period last year to £405 million and profit attributable by 12% to £219 million.

For the half year, profit attributable increased by 9%. The second quarter showed a stronger improvement over 1987 than that achieved in the first quarter. Most parts of the business contributed to this result. In Europe operating profit rose by 10% due to good volume growth and higher margins. The increase in operating profit in North America for the second quarter has brought its performance for the half year in line with 1987.

The outlook for the year as a whole is encouraging.

SECOND QUARTER

FOREIGN EXCHANGES

Sterling heads the drama

STERLING MOVED towards the centre of the stage yesterday, but mainly because players in the drama involving the dollar and D-mark had decided to call for a short interval.

The dollar traded very quietly, with dealers content to adjust positions, ahead of today's US trade figures.

The D-mark has tended to dominate dollar related movements of late, and has been much more volatile than the Japanese yen.

US trade figures for June, released today, may provide the catalyst deciding whether the dollar moves back again. DMI 1.90, and attacks further resistance at DMI 1.9500.

The downward side there is a major support point at DMI 1.8750, which just about held yesterday. The dollar touched a low of DMI 1.8600, but bounced back to close at DMI 1.8810, compared with DMI 1.8800 on Friday.

The dollar was slightly firmer against the yen to close, at Y133.25, compared with Y133.10. It also rose to SFr 1.5785, from SFr 1.5780, but fell to SFr 1.5825 from SFr 1.5850.

On Bank of England figures, the dollar's index rose to 99.2 from 99.1.

The US trade deficit in June is expected to be about \$11.5bn, compared with \$10.9bn in May. A figure of less than \$11bn will

be regarded as favourable, and is likely to produce renewed demand for the dollar, but a poor figure will probably be more difficult to assess.

US industrial production rose 0.6 p.c. in July, compared with 0.4 p.c. in June. This was higher than expected, but had little impact on the dollar.

UK industrial production figures produced more of a stir, when combined with data on retail sales. The implications of the figures were not encouraging for the UK economy, and resulted in a general loss of confidence in London.

Gilts and equities weakened, and interest rates rose, but sterling held reasonably steady.

The pound's resilience appeared to reflect expectations that the UK authorities will take action to correct any deteriorating economic situation, and that this could involve yet another rise in UK bank base rates.

According to the Bank of England, the pound's index rose to 77.0 from 76.9.

Changes for Ecu, therefore positive change denotes a weak currency.

Adjustment calculated from Financial Times.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rate	Currency against Ecu Aug 15	% change from central rate	adjusted for divergence	Divergence %
Belgian Franc	42,692	43,375	+2.76	+1.04	+1.544
Danish Krone	7,05212	7,07741	+1.53	+0.21	+1.504
French Franc	2,02200	2,02100	-0.05	-0.05	-0.025
Dutch Guilder	2,31943	2,33426	+1.27	+0.53	+1.502
Irish Punt	0,778785	0,787805	+1.34	+0.40	+1.502
Italian Lira	1,48358	1,48358	+0.00	+0.00	+0.000

Estimated volume total: Cais 749 Patis 1694

Previous day's open int: Cais 30080 Patis 34465

Changes for Ecu, therefore positive change denotes a weak currency.

Adjustment calculated from Financial Times.

£ IN NEW YORK

Aug 15 Latest Previous Close

1.7115-1.7120 1.7115-1.7125

0.97-1.00% 1.00-1.02%

12 months 3.20-3.30% 3.00-3.00%

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Aug 15	Latest	Previous
1.50	88.9	88.9	77.0
0.00	76.9	76.9	77.0
10.00	88.9	88.9	77.0
11.00	88.9	88.9	77.0
1.00	76.8	76.8	76.8
2.00	76.8	76.8	76.8
4.00	76.8	76.8	76.8

Changes to convertible francs. Financial from 60.35-60.45. Six-month forward dollar 1.92-1.97pm 12 months 3.25-3.15pm

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Adjustment calculated from Financial Times.

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FT UNIT TRUST INFORMATION SERVICE

ET UNIT TRUST INFORMATION SERVICE

UNIT TRUST INFORMATION SERVICE

OTHER OFFSHORE FUNDS

LONDON SHARE SERVICE

Continued on next page

Money Market Trust Funds

LEISURE—Contd.

**PAPER, PRINTING,
ADVERTISING - Contd**

ING - Contd		1988		1989					
+	or	Stk	Stock	Price	+	or	Stk	Stock	Price
Price	-	Stk	Cvr	Yrs	Price	-	Stk	Cvr	Yrs
178	-	150	2.8	3.810.4	320	+2	180	2.8	2.8
558	-	160	3.9	3.342.5	51	+1	41	1.9	1.9
519	-	125	10.4	9.131.1	111	+1	65	1.9	1.9
231	-1	3.95	4	2.9	210	+1	163	1.9	1.9
614	-5	6.4	3.0	21.5	61	+2	62	1.9	1.9
320	-1	13.0	3.2	12.7	135	+1	94	1.9	1.9
244	-1	6.6	2.2	4.2	170	+1	40	1.9	1.9
410	-5	16.88	2.6	2.2	130	+2	206	1.9	1.9
83	-1	4.3	1.9	6.2	176	+1	120	1.9	1.9
198	-1	2.5	5.5	1.8	97	+1	97	1.9	1.9
PERTY		12.1		3.5		2.2		16.9	
126					250	+2	180	2.8	2.8
					168	+1	168	1.9	1.9
					163	+1	163	1.9	1.9
					160	+2	160	1.9	1.9
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					163	+1	163	1.9	1.9
					160	+2</			

PROPERTY

	1938	Stock	Price	+W	Div	Ytd
P/E	Wkds	Low	High	Net	Cw	Gr's
1	14.3	111	95	Do. Warrants	Y	
1	18.6	156	130	Do. Cum Ptg Pref	Y	
1	18.6	226	171	Sequoia Global	St	219.1 - 1.7
1	10.4					14.4 1.0 2.7
1	10.5	93	75	Scot. Am. Inv.	St	
1	11.4	626	580	Scot. Cities "A"	Y	
1	11.3	1281	1135	Scot. East Inv.	Y	
2	11.7	193	110	Scottish Inv.	Y	
1	16.7	24	15	SDO Warrants	Y	
1	9.1	118	88	Scot. & Men. "A" 50%	Y	
1	9.0	1075	85	Scot. Mort. & Tr.	Y	
1	9.0	931	85	Scot. National Tr. Inv.	Y	
1	15.6	52	35	Do Cap.	Y	
1	9.4	1134	1052	Do Stepped Ptg.	Y	
1	7	1044	984	Do Zero Div Ptg.	Y	
1	21.6	15	4	Do Warrants	Y	
1	10.4	753	645	Do Allianz Inv.	Y	

OIL AND GAS—Continued

Yield	Yield	1982	Stock	Price	Yield	Yield
Yield	Yield	Mo.	Low	Mo.	Mo.	Mo.
5.0	4.6	46	Watten Margaret Gold	7.6	-	-
46.7	23.5	235	Wetland 50c	4.6	-3	0.15
11	6	6	Wes-Samson Expl'n. NL	4	-	-
15.5	4.1	41	Wiegandt Minings	10	-10	-
35.7	20.3	203	Wisons Gwalia NL	31.8	-10	10.45
2.7	4.3	56	WNS Unl. Gold Fields	41	-	-
-	-	24	WSP Southern Pacific	18	-1	-
-	-	40	WST Southern Res.	34	-1	-
22.1	7.1	41	WST Southern Ventures 25c	6	-	-
-	-	15.4	WSPGars Eng'l B.	10.5	-	-
-	-	7	WST Swan Res. 20c	5	-	-
1.8	5.6	12	WST West Coast 25c	28	+1	-
4.1	4.2	315	WST West. Mining 50c	281	-4	0.0150
-	-	145	WST Whim Creek 10c	128	-	0.1216
1.6	6.3	(11.5)				4.1
9.1						
3.8	3.6	9.8				

MOTORS, AIRCRAFT TRADES

GENERAL CARS, PERSONAL CARS		COMMERCIAL VEHICLES		COMPONENTS		GARAGES AND DISTRIBUTORS	
164General Motors.....	226	-1	625	-1	6.7	260	150Easts. & Agency
238Jaguar.....	274	-3	10.5	28	5.1	188	188Easts. & Gen. 20p.....
259March Group 50.....	264	-2	34.2	21	10.2	282	193Easts. Prop. Inv.
261Mazda Motor 10p.....	36	-1	3.6	1	14.8	272	200Do. 18p. Inv. 34.99
154Pover 50p.....	106	-1	4	1	14.8	195	124Evens of Leeds.....
322-3Volvo K/25.....	284	-1	424	28	3.3 10.9	154	123Evensard.....
Commercial Vehicles		439	9.0	5.8	2.8	6.5	75
192-3ERF Chassis.....	191	1	14.5	1.5	3.1	26.2	158Five Oaks Inv. 50p.....
130Plaxton.....							158Fletcher King 10p.....
							132F.S.M. Prop. 10p.....
							275Flemmings Inv. 50p.....
							202Flemmings Trust.....
							275Flemmings 50p.....
							205Flemmings 20p.....
							275Flemmings 10p.....
							157Flemmings Components 50p.....
							225Flemmings "A".....
							175Flemmings Drives 10p.....
							750Flemmings Prop. 10p.....
							372Flemmings 50p.....
							188Flemmings Bus. 50p.....
							158Flemmings Chassis 10p.....
							160Flemmings Seas & Divers 10p.....
							64FHL Land.....
							450Flemmings Prop. London 50p.....
							274Flemmings 10p.....
							340Flemmings Merchant.....
							465Flemmings Inv. 50p. 30.01
							450Flemmings Invest.....
							195Flemmings Prop. 50p.....
							450Flemmings Key Prop. 50p.....
							155Flemmings Properties 50p.....
							240Flemmings 50p. 2000-05.....
							600Flemmings Securities 50p.....
							100Flemmings 50p. 1982-2002.....
							250Flemmings Land 50p.....
							550Flemmings Local Inv. 50p.....
							450Flemmings & Estates 50p.....
							145Flemmings & Estates 10p.....
							122Flemmings 10p.....
							215Flemmings Do. 5.10. Inv. 50p.....
							215Flemmings & Imports 50p.....
							215Flemmings & Imports 10p.....
							55Flemmings London 50p.....
							240Flemmings London Shop.....
							145Flemmings London 50p.....
							145Flemmings London 10p.....
							145Flemmings London 20p.....
							145Flemmings London 30p.....
							145Flemmings London 50p.....
							145Flemmings London 70p.....
							145Flemmings London 100p.....
							145Flemmings London 200p.....
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							145Flemmings London 1000p.....
							145Flemmings London 2000p.....
							145Flemmings London 5000p.....
							145Flemmings London 100p.....
							145Flemmings London 20000000

NEWSPAPERS PUBLISHERS

NEWSPAPERS, PUBLISHERS									
115	Accord Pub Sp.	117	13.6	3.3	3.9	10.2			
85	Advocate	146	7.7	3.2	3.0	9.0			
435	Agee, New	515	3	7.2	2.3	1.9	15.7		
273	B.P. Higley 10p	516	43	16.0	2.1	2.1	23.4		
260	Barbour Index	517	5.5	2.5	2.5	2.5			
385	Black (A. & C.)	493	12.0	2.5	4.0	13.1			
425	Bethelton Herald 2p	618	45	14.0	2.1	0.9	49.9		
210	Bristol Eng. Post	573	1.4	1.1	1.2	1.2			
585	Brown William	574	4	11.7	2.5	2.7	14.8		
435	Do. "A"	575	11.7	2.5	2.7	12.6			
225	Country Mail "A" 50c	576	17.0	1.0	1.2	12.8			
125	Do. "MAP"	577	2.1	2.4	2.4	2.4			
125	Do. "Economy of Pub."	578	1.7	1.7	1.7	1.7			
125	Do. "G"	579	1.7	1.7	1.7	1.7			
125	Do. "L	580	1.7	1.7	1.7	1.7			
335	Do. "P"	581	12.0	1.4	1.4	12.4			
250	Do. "S"	582	8.7	2.5	2.5	2.5			
325	Do. "T"	583	7.0	2.5	2.5	2.5			
95	Do. "U"	584	7.0	2.5	2.5	2.5			
485	Do. "V"	585	7.0	2.5	2.5	2.5			
125	Do. "W"	586	7.0	2.5	2.5	2.5			
125	Do. "X"	587	7.0	2.5	2.5	2.5			
125	Do. "Y"	588	7.0	2.5	2.5	2.5			
125	Do. "Z"	589	7.0	2.5	2.5	2.5			
335	Haynes Pub 20p	590	1.7	1.7	1.7	1.7			
250	Housman Publishing	591	1.7	1.7	1.7	1.7			
250	Home Counties	592	1.7	1.7	1.7	1.7			
325	Independent	495	7.0	1.5	1.5	1.5			
95	Ind. Nat. Comer. 10p	593	1.7	1.7	1.7	1.7			
485	Ind. T. Thompson	594	1.7	1.7	1.7	1.7			
125	Johnson Pub 10p	595	1.7	1.7	1.7	1.7			
205	Montgomery Com. & Co.	596	1.7	1.7	1.7	1.7			
125	Montgomery County	597	1.7	1.7	1.7	1.7			
125	Montgomery 20p	598	1.7	1.7	1.7	1.7			
400	News Corp A50.150.	599	1	10.7	1.9	0.7	7.8		
255	News Int. Spec. DW	600	1	13.1	1.7	1.8	1.1		
255	News Int. Spec. DW	601	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	602	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	603	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	604	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	605	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	606	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	607	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	608	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	609	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	610	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	611	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	612	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	613	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	614	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	615	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	616	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	617	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	618	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	619	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	620	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	621	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	622	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	623	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	624	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	625	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	626	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	627	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	628	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	629	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	630	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	631	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	632	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	633	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	634	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	635	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	636	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	637	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	638	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	639	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	640	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	641	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	642	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	643	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	644	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	645	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	646	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	647	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	648	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	649	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	650	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	651	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	652	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	653	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	654	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	655	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	656	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	657	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	658	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	659	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	660	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	661	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	662	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	663	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	664	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	665	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	666	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	667	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	668	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	669	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	670	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	671	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	672	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	673	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	674	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	675	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	676	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	677	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	678	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	679	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	680	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	681	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	682	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	683	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	684	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	685	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	686	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	687	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	688	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	689	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	690	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	691	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	692	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	693	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	694	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	695	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	696	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	697	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	698	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	699	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	700	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	701	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	702	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	703	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	704	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	705	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	706	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	707	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	708	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	709	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	710	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	711	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	712	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	713	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	714	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	715	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	716	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	717	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	718	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	719	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	720	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	721	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	722	5.5	4.1	2.8	11.7			
255	News Int. Spec. DW	723	5.5	4.1	2.8	11.7			

PAPER, PRINTING, ADVERTISING

ADVERTISING									
500MTA Selection Sc. v	61	248	23	2.8	15.0	249	23	2.8	15.0
2025Abbot Rd Vicks Sp. v	264	1	4.0	2.0	14.4	249	23	2.8	15.0
325Accts Group 100- v	37	6.0	4.0	4.0	4.5	277	23	2.8	15.0
325Addison Compt. Sc. v	37	6.0	4.0	4.0	4.5	278	23	2.8	15.0
375Accts Control Sc. v	53	5.0	4.0	4.0	23.4	288	400UK Land		
238Accts Paper. v	278	8.0	2.0	4.0	12.0	274	23	2.8	15.0
325Accts Design Comp Sp. v	36	2.0	1.0	1.0	12.0	275	23	2.8	15.0
110Barter/Charles Sc. v	175	4.0	4.0	3.0	24.0	1100	162Warren Estate Sp.		
181Bennrose. v	216	1.0	1.0	1.0	13.2	1101	162Waterfront Ind. Sp.		
For Steinheil Exhibitions see newspaper									
242Benn Man 125- v	251	7.2	2.0	3.0	15.6	151	170Westfield Ind. Inc 51		
318Benn Street 100- v	41	1	0.75	0.2	2.0	200	130Westm. & Country 3		
192Bennley Grp. v	197	5.0	3.0	2.0	12.0	151	123Wood U. D. J. 157		
127Benz. v	134	5	5.0	2.0	11.6				
655Carter Comptons. v	744	1	15.35	5.0	10.2	228	151Bennet 4-7 AS INC.		
425Carter Compt. 50- v	54	0.1	0.55	0.2	12.7	151	6.5 S.L. Corp. 3		
263Casper Ind. 50- v	341	10.0	2.0	1.0	12.0	151	152Carbone Corp. 3		
250Charron Ind. 100- v	87	1	10.44	4.0	12.7	151	153Fisher L.L.C. 3		
92City of London P.R. 100- v	94	11.75	3.1	2.0	13.9	151	154Gates-Lucas 51		
145Clarke House Sc. v	148	3.0	2.0	2.0	12.0	151	155Gates-Sale Ind. 3		
118Comfortable Group. v	151	10	0.1929	3.5	2.0	151	156Gates-Sale Ind. 3		
122Comfo & Fader No. v	128	2.0	2.0	2.0	15.4	151	157Gates-Sale Ind. 3		
155Colorado Ind. 100- v	235	4.0	2.0	1.0	17.0	151	158Gates-Sale Ind. 3		
600Cooper Hedges. v	78	2	2.5	1.0	27.1	151	159Gates-Sale Ind. 3		
360Crest Print 100- v	43	0.6	0.4	0.4	19.0	151	160Gates-Sale Ind. 3		
758Crete Lodge 100- v	76	2.0	2.0	4.0	10.0	151	161Gates-Sale Ind. 3		
175Crespo U.S. 100- v	258	2.15	0.7	1.0	10.5	151	162Gates-Sale Ind. 3		
655Creston Com. 100- v	127	0.3	0.3	0.3	48.0	151	163Gates-Sale Ind. 3		
125Creston Corp. 100- v	131	13.10	2.0	2.0	11.0	151	164Gates-Sale Ind. 3		
357DHC 100- v	458	5	10.2	2.0	3.0	151	165Gates-Sale Ind. 3		
94Dessau France 100- v	144	3.0	4.0	1.0	10.9	151	166Gates-Sale Ind. 3		
655Della Print 50- v	145	1.15	4.0	1.0	19.5	151	167Gates-Sale Ind. 3		
880Della Jenkins 50- v	116	2.7	2.0	2.0	12.0	151	168Gates-Sale Ind. 3		
1500DHL Group 50- v	277	5.0	2.0	2.0	12.0	151	169Gates-Sale Ind. 3		
564Fairway (Los) 100- v	506	1	1.25	1.0	5.7	151	170Gates-Sale Ind. 3		
262Ferguson Ind. 100- v	274	1	10.0	2.0	4.0	151	171Gates-Sale Ind. 3		
132Ferry Pick 100- v	143	14.0	2.0	3.0	12.2	151	172Gates-Sale Ind. 3		
1000Fitz Ital 50- v	373	1.25	1.0	1.0	13.0	151	173Gates-Sale Ind. 3		
312Fitz & Co. 100- v	375	1.0	1.0	1.0	13.0	151	174Gates-Sale Ind. 3		
1000Fitz. sp. op Cr 100- v	183	4.5	2.0	2.0	12.0	151	175Gates-Sale Ind. 3		
325Fitz Green 100- v	21	1	1	1	1	151	176Gates-Sale Ind. 3		
115Fitzhugh 100- v	188	4.5	2.0	2.0	12.0	151	177Gates-Sale Ind. 3		
221Gold Crosses 7.5- v	267	4.0	2.0	2.0	12.0	151	178Gates-Sale Ind. 3		
151Gold Crossed Print 100- v	234	4.5	13.75	3.0	2.0	151	179Gates-Sale Ind. 3		
220Goldschmidt 100- v	264	14.45	2.0	2.0	13.7	151	180Gates-Sale Ind. 3		
225Goldschmidt 220- v	264	17.0	3.0	2.0	12.0	151	181Gates-Sale Ind. 3		
262Do. Not/Not A- v	247	17.0	3.0	2.0	12.0	151	182Gates-Sale Ind. 3		
315Gutenberg. v	324	4.5	2.0	2.0	12.0	151	183Gates-Sale Ind. 3		
315Gutenberg. v	324	20.0	5.0	4.0	13.6	151	184Gates-Sale Ind. 3		
300JMD Group 22- v	49	1	1	1	1	151	185Gates-Sale Ind. 3		
100JMD Porter 100- v	119	4.0	3.0	4.0	9.5	151	186Gates-Sale Ind. 3		
255KBL Group 59- v	283	12.0	2.0	2.0	12.0	151	187Gates-Sale Ind. 3		
67Ketson. v	85	1	1	1	1	151	188Gates-Sale Ind. 3		
445Kirkle Inc 50-100- v	58	0.25	2.0	5.0	6.0	151	189Gates-Sale Ind. 3		
350Lawson Marlow A- v	617	12.5	20.0	5.0	12.5	151	190Gates-Sale Ind. 3		
158Leverex 50- v	246	5.0	3.0	2.0	12.0	151	191Gates-Sale Ind. 3		
326Leverex H-5 & B 100- v	419	10.0	2.0	2.0	12.0	151	192Gates-Sale Ind. 3		
140MIL Research Group. v	158	2.0	2.0	2.0	12.0	151	193Gates-Sale Ind. 3		
For Michael (J.)									
110McMillan Bros 100- v	163	1.0	1.0	1.0	13.2	151	194Gates-Sale Ind. 3		
185McMillan Corp 100- v	196	5.0	2.0	2.0	12.0	151	195Gates-Sale Ind. 3		
107McMotts Corp 100- v	167	4	2.0	2.0	12.0	151	196Gates-Sale Ind. 3		
174Moret Foss 100- v	208	7.0	2.0	2.0	12.0	151	197Gates-Sale Ind. 3		
500Moss Trust 50- v	75	2.0	1.0	1.0	13.2	151	198Gates-Sale Ind. 3		
125Munro Open 100- v	194	5.0	2.0	2.0	12.0	151	199Gates-Sale Ind. 3		
880No 5% Cr Pf. v	98	5.25	2.0	2.0	12.0	151	200Gates-Sale Ind. 3		
125Ogilvy Group 51- v	213	0.00	1.0	1.0	12.0	151	201Gates-Sale Ind. 3		
1250Ogilvy Corp 200- v	175	1	1	1	1	151	202Gates-Sale Ind. 3		
243Olsene & Little Sc. v	245	5.0	3.0	2.0	12.0	151	203Gates-Sale Ind. 3		
500Perry Communications. v	52	12.0	12.0	2.0	12.0	151	204Gates-Sale Ind. 3		
85Perry Compt. 50- v	52	12.0	3.0	3.0	11.0	151	205Gates-Sale Ind. 3		
212PerryPrint 50- v	243	0.00	1.0	0.8	14.9	151	206Gates-Sale Ind. 3		
1250Peters (M) 100- v	150	13.0	2.0	4.0	10.0	151	207Gates-Sale Ind. 3		
53Pratheron Ind. 100- v	145	0.02	0.0	0.0	10.4	151	208Gates-Sale Ind. 3		
66Prospective Grp/ 100- v	244	2.0	2.0	2.0	12.0	151	209Gates-Sale Ind. 3		
346Searchit 100- v	245	14.0	2.0	2.0	7.5	151	210Gates-Sale Ind. 3		
86Do. 6.3pc PPL 100- v	246	0.00	0.0	0.0	10.0	151	211Gates-Sale Ind. 3		
125Sies 100- v	226	16.0	2.0	2.0	19.6	151	212Gates-Sale Ind. 3		
175Sonic Paper 100- v	227	16.0	2.0	2.0	19.6	151	213Gates-Sale Ind. 3		
180Sonic/Com 100- v	228	16.0	2.0	2.0	19.6	151	214Gates-Sale Ind. 3		
145Sonic/Cor 100- v	485	0.00	0.0	0.0	16.0	151	215Gates-Sale Ind. 3		
485Sonic/Cor 100- v	486	2.0	2.0	4.0	13.6	151	216Gates-Sale Ind. 3		
345Sonic/Cor 5.2/100- v	487	0.00	0.0	0.0	12.0	151	217Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	488	0.00	0.0	0.0	12.0	151	218Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	489	0.00	0.0	0.0	12.0	151	219Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	490	0.00	0.0	0.0	12.0	151	220Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	491	0.00	0.0	0.0	12.0	151	221Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	492	0.00	0.0	0.0	12.0	151	222Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	493	0.00	0.0	0.0	12.0	151	223Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	494	0.00	0.0	0.0	12.0	151	224Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	495	0.00	0.0	0.0	12.0	151	225Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	496	0.00	0.0	0.0	12.0	151	226Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	497	0.00	0.0	0.0	12.0	151	227Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	498	0.00	0.0	0.0	12.0	151	228Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	499	0.00	0.0	0.0	12.0	151	229Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	500	0.00	0.0	0.0	12.0	151	230Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	501	0.00	0.0	0.0	12.0	151	231Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	502	0.00	0.0	0.0	12.0	151	232Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	503	0.00	0.0	0.0	12.0	151	233Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	504	0.00	0.0	0.0	12.0	151	234Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	505	0.00	0.0	0.0	12.0	151	235Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	506	0.00	0.0	0.0	12.0	151	236Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	507	0.00	0.0	0.0	12.0	151	237Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	508	0.00	0.0	0.0	12.0	151	238Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	509	0.00	0.0	0.0	12.0	151	239Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	510	0.00	0.0	0.0	12.0	151	240Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	511	0.00	0.0	0.0	12.0	151	241Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	512	0.00	0.0	0.0	12.0	151	242Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	513	0.00	0.0	0.0	12.0	151	243Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	514	0.00	0.0	0.0	12.0	151	244Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	515	0.00	0.0	0.0	12.0	151	245Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	516	0.00	0.0	0.0	12.0	151	246Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	517	0.00	0.0	0.0	12.0	151	247Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	518	0.00	0.0	0.0	12.0	151	248Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	519	0.00	0.0	0.0	12.0	151	249Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	520	0.00	0.0	0.0	12.0	151	250Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	521	0.00	0.0	0.0	12.0	151	251Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	522	0.00	0.0	0.0	12.0	151	252Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	523	0.00	0.0	0.0	12.0	151	253Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	524	0.00	0.0	0.0	12.0	151	254Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	525	0.00	0.0	0.0	12.0	151	255Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	526	0.00	0.0	0.0	12.0	151	256Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	527	0.00	0.0	0.0	12.0	151	257Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	528	0.00	0.0	0.0	12.0	151	258Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	529	0.00	0.0	0.0	12.0	151	259Gates-Sale Ind. 3		
175Sonic/Cor 5.2/100- v	530	0.00	0.0	0.0	12.0	151	260Gates-Sale Ind. 3		
17									

175
1650 +5
1425 +12

2.8	15	55 Western Inv.	-1	2
3.2	43	23 Vehetos Inv. 59.	-1	2
2.8	80	51a York Trust 10p... v.	-1	2

of Options traded is given on the Stock Exchange Report Page

able to every Company dealt in on Stock
the United Kingdom for a fee of £240 per
share for each security.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

LONDON TRADED OPTIONS

Option	CALLS				PUTS				Options	CALLS				PUTS			
	Oct	Dec	Jan	Feb	Oct	Dec	Jan	Feb		Dec	Mar	Apr	May	Jun	Jul	Aug	Sep
Alfred Lynch (P242)	390	25	52	62	12	21	21	22	Lazard (P243)	390	25	52	52	52	52	52	52
	420	23	54	42	13	21	21	21	Lehman (P244)	420	23	52	52	52	52	52	52
	450	26	56	46	14	21	21	21	Libman (P245)	450	23	52	52	52	52	52	52
Brit. Airways (P158)	140	23	28	28	21	21	21	21	P. & G. (P246)	140	23	28	28	21	21	21	21
	160	23	28	28	21	21	21	21	Pilkington (P247)	160	23	28	28	21	21	21	21
Brit. & Cross. (P240)	220	25	32	37	21	21	21	21	Prescott (P248)	220	25	32	32	32	32	32	32
	240	11	25	25	21	21	21	21	Prudential (P249)	240	23	28	28	21	21	21	21
B.P. (P249)	240	14	25	25	21	21	21	21	Racial (P250)	240	23	28	28	21	21	21	21
	260	14	25	25	21	21	21	21	R. I. Z. (P251)	260	23	28	28	21	21	21	21
Brit. Gas (P252)	250	22	32	32	21	21	21	21	West Reefs (P254)	250	23	28	28	21	21	21	21
	270	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Telecom (P258)	220	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
	240	11	25	25	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P259)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P260)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P261)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P262)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P263)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P264)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P265)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P266)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P267)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P268)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P269)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P270)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P271)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P272)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P273)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P274)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P275)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P276)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P277)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P278)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P279)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P280)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P281)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P282)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P283)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P284)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P285)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P286)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P287)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P288)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P289)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P290)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P291)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P292)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P293)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P294)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P295)	250	25	32	32	21	21	21	21		250	23	28	28	21	21	21	21
Brit. Tele. (P296)	250	25	32	32	21	21	21										

COMMODITIES AND AGRICULTURE

Chicago grain futures move sharply higher

By Deborah Hargreaves in Chicago

GRAIN FUTURES' prices on the Chicago Board of Trade moved sharply higher yesterday after a brief sell-off on Friday. Soyabean prices were mostly up the 30 cents daily limit of the close, with the September position at \$8.76 a bushel. Maize prices were generally up the 10 cents-a-bushel limit.

Moreover, traders are predicting a buoyant market for most of the week as hot weather continues to scorch Midwest cropland and the full extent of drought damage on the US harvest is absorbed.

The price fall on Friday came after the US Department of Agriculture issued its monthly assessment of this year's grain crop, which contained several surprises for Chicago's traders.

There were some fears about a break in the weather had discouraged them from carrying positions over the weekend.

Yesterday a trader explained: "There was a lot of technical selling by computer

funds on Friday but they are all back in there buying again."

After a sweltering weekend in the Midwest and with the short-term forecast predicting little rain before the month's end, grain markets, with traders looking carefully at demand levels.

Weather futures could emerge

as price-leader for grains in coming weeks after the department's report highlighted the tight situation in stocks and supply.

Total wheat output is expected to be down by 18 per cent, to 1.82bn bushels, largely because of spring wheat-crop devastation.

Wheat exports are already estimated at 1.4bn bushels for next year and carry-over stocks are set to fall to 600m bushels.

Maize futures prices have lost a bit of their earlier strength in spite of an estimated 37 per cent fall in the US crop.

The grain market's strength is expected to continue today as commercial orders resume from Europe and parts of South America, which were on holiday yesterday.

Taiwan curbs gold appetite

By Kenneth Gooding

TAIWAN WOULD probably stay out of the bullion market until at least after the Sino-US trade talks, scheduled to start on August 29, W.L. Carr, the London stockbroker, said.

Taiwan's voracious appetite for gold played a significant role in underpinning the world price this year as it set out to diversify its official reserves by switching from US dollars to the precious metal.

It stopped buying at the end of May but then its buying spree, which began last October, had more than doubled its gold bullion reserves, from 188 tonnes to

402.5 tonnes.

In the first seven months of this year Taiwan imported 268 tonnes of gold bars and coins worth US\$8.5bn, according to the Taiwan Finance Ministry. About 60 per cent of it was for the Central Bank.

All the gold was routed via the US, which drew criticism from the US authorities that Taiwan was artificially reducing its huge trade surplus with the US. Taiwan, in response, temporarily halted a 11% gold purchases.

In Taipei yesterday, after confirmation Taiwan had not

imported any gold in June, Mr Chang Chi-Cheng, Central Bank governor, when asked if the bank would buy gold again in the near future, said: "We are uncertain."

Analysts expect Taiwan's gold imports will reach 300 tonnes this year and be surpassed only by Japan, which is expected to import \$50 tonnes.

Without this Far East demand the gold price would be weaker, Carr said. "A return of Taiwanese buying in September would have an important influence on the gold bullion Market."

Africans urged to boost coffee quality

AFRICAN COFFEE-producers have been urged by the head of the Inter-African Coffee Organisation to improve farming techniques to boost yields and improve quality, reports Reuter from Nairobi.

Mr Arega Worku, IACO secretary general, said, after a visit to Kenya: "We're not calling for overproduction... We're calling on IACO members to bring coffee production to 1972/73 levels, so that they can remain competitive."

"We're also emphasising quality because consumers today are demanding quality coffee."

"My message to Kenya and other IACO members is to improve management of the coffee industry, plant high-yield varieties and use proper inputs such as fertilisers."

Bad weather, rising costs of fertiliser and pesticide, and increased coffee output in Latin America had been hurting African producers, he said. IACO's economic adviser, Mr Donald Kaberuka, said the body was urging its 25 member-states to cut the unit-cost of producing coffee in Africa. This will increase the value of African coffee and benefit the small-scale producer," he said.

He said IACO favoured negotiating a new International Coffee Agreement, even though there had been problems with the present accord, between

the world's main producers and consumers, which expires next year.

"With agreements, we have problems, but without them the situation would be chaotic... What is needed are commercial type agreements which offer guarantees for quality and stable prices," he said.

Mr Patrick Katingira, general manager of the state-run Coffee Board of Kenya, said Kenya also preferred the present system of International Coffee Organisation export quota and pricing agreements to a free market.

"In a free market, there's the danger of manipulation by big producers. Coffee agreements prevent such a situation."

Zircon ship loss 'sends users into a frenzy'

By Kenneth Gooding, Mining Correspondent

THE LOSS of a ship carrying 13,000 tonnes of zircon, about 1.7 per cent of annual world consumption, had sent some market users into a frenzy, said Mr Ewan Worthington, mining research head at Warburton Securities.

These users could emerge as price-leader for grains in coming weeks after the department's report highlighted the tight situation in stocks and supply.

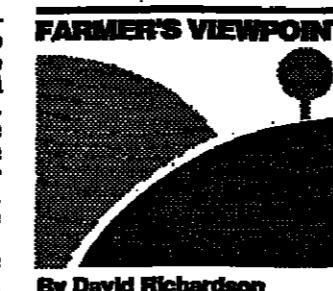
Total wheat output is expected to be down by 18 per cent, to 1.82bn bushels, largely because of spring wheat-crop devastation.

Wheat exports are already estimated at 1.4bn bushels for next year and carry-over stocks are set to fall to 600m bushels.

Maize futures prices have lost a bit of their earlier strength in spite of an estimated 37 per cent fall in the US crop.

The grain market's strength is expected to continue today as commercial orders resume from Europe and parts of South America, which were on holiday yesterday.

Harvest brings nostalgic thoughts



By David Richardson

A modern combine harvester is a delight to drive. At £260,000 to £300,000, depending on model and capacity, it should be. Also, a Rolls-Royce price usually ensures a Rolls-Royce performance. Small wonder most farmers, myself included, cannot wait to get behind the steering-wheel.

My bouts on the machine are usually limited to mealtimes, when the regular driver picnics. It does not take him long to eat his sandwiches. The sooner he can get back in charge, the better he likes it. He does not say as much, but I know he is worried in case I run into something or other wise damage "his" harvester.

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Driving the combine was always plain job of the harvest. It used to be the dirtiest, too, but not any longer. Today's machines are fitted with air-conditioned cabs. On a hot day and even to something or other wise damage "his" harvester.

The steering is hydraulically assisted. The drive is hydrostatic, which means that once the correct gear for the conditions is selected all the driver does is push a lever forward to travel forward, the harder the faster, and pull it back to reverse.

On top of the same lever is a rocker arm. This operates the hydrostatic pump that controls the height of the reciprocating knife which cuts the crop. It is therefore possible with one hand to change speed or direction and alter the level of cut all at the same time.

These were hard days compared with modern methods but we thought we were in clover. Some neighbours still cut crops with self-binders and gathered them into stacks or ricks to thresh in winter. Nostalgia lends such memories a certain appeal but that really was hard work.

This year the harvest has been relatively trouble-free. In Norfolk and most of southern England we escaped the worst of the storms which damaged many cereal crops in Scotland and the north.

Most of the winter barley - so-called because it is planted in the autumn to lengthen the growing season with the intention of producing a higher

yield - was combined in fine weather, needed little or no artificial drying.

The quality, too, of those varieties grown for malting, has been remarkably high. The main criterion for a malting sample these days, apart from ability to germinate, is the grain's nitrogen content. Years ago, before quick analysis was possible, merchants judged quality by berry size and colour. I do not think the beer has got better since the introduction of technology but that's another story.

In any event much of this year's winter barley produced grain with a nitrogen content between 1.4 per cent and 1.7 per cent, which is just what is needed by British brewers.

When the first of such crops came off the combine in late July and early August some merchants became so excited that they bid farmers' prices up to £165 a tonne for them - an almost unprecedented premium of about 70 per cent over the feed-barley price.

Various theories have been advanced to explain this generosity. One suggests that farmers' figures, which showed the average of winter barley planted last autumn was down 15 per cent, to mean there would be much less malting barley on the market. However, that which was drilled, or sown, contained a much higher proportion of malting varieties than usual.

Another explanation might be the worry that last year's wet harvest which ruined most

malting barley might be repeated. A few days of heavy rain in late July was all that was needed to cause a panic.

That as it may, malsters refused to pay high prices, and many merchants are now said to be counting losses and licking their wounds. Meanwhile, the farm price has dropped by 20 or more a tonne for the same quality of grain.

However, yields have been mediocre in most of the main winter barley-growing areas. Unofficial estimates of average crops delivered to merchants so far are said to be less than two tonnes an acre, which, even at inflated prices, will barely allow the farmer to break even.

Feed-barley yields, too, have been disappointing. Instead of the target of more than three tonnes an acre, most crops have weighed in at only 2.5 tonnes or less. Further, at about £95 a tonne, the farm price rating at present, they will almost certainly fall to cover growing costs and the 5% European Community levy.

At the moment, there's a lull in activity while farmers wait for spring-sown barleys and winter wheat, which represent the bulk of the harvest, to finish ripening.

However, the few fields of such crops which have been combined in the south have also yielded mediocre tonnages. So, although there is a lot of harvest work yet to do, perhaps the main excitement is already over.

Venezuelan bauxite mine advances

Joe Mann on moves towards a fully integrated aluminium industry

THE VENEZUELAN Government is making considerable progress with the development of a bauxite mine at Caroní, about 200 miles (300km) south of Caracas. The state-owned company operating the mine, reported output of 240,000 tonnes last year and projects about 700,000 tonnes this year and 1m tonnes next.

Bauxite's president, Mr Jose Tomas Milano, said the mine would be able to produce 8m tonnes by mid-1990. Output could be raised to 8m tonnes by adding a shift of workers. Once the US\$420m project is completed two years from now, Venezuela will have a fully-integrated aluminium industry. It has an alumina plant, aluminium smelters and lines to make a variety of aluminium products.

Bauxite is part of a government scheme to raise primary-aluminium output capacity from the annual 450,000-tonne level to about 2m tonnes by the end of the 1990s. At the same time that the country is increasing domestic

alumina output it has set up joint-ventures downstream with aluminium-product companies in Belgium, Costa Rica and the US to ensure primary aluminium markets.

For the foreseeable future all output from Bauxite will be sold to Interalumina, a company in the industrial centre of Ciudad Guayana that converts bauxite into alumina (aluminium oxide).



WORLD COMMODITIES PRICES

US MARKETS

EXPECTATIONS of further very hot weather with only light, scattered rains led to a strong opening in the grain and soyabean complex, reports Dr Michael Burnham, a market analyst.

Weather strength from improved premiums in anticipation of possible Soviet interest, wheat was well supported by reports of possible buying by Algeria and Egypt. Soyabean

led the soyabean complex with expectations of export business, but been off-limits as a result of abundant supplies and selling against meal. Cattle futures closed steady in response to firm cash prices, while hogs were featureless, while hogs futures fell marginally following selling, but rallied on short-covering following the emergence of support at lower levels. The previous metals closed steady on short-covering in light volume following early light trade and local selling which touched off stops. Copper was firm in light volume as fund buying touched off stops in a market otherwise dominated by local activity.

WORLD MARKETS

CHICAGO

SOYABEAN 5,000 bu/mic; cents/lb/bushel

Close Previous High/Low

Aug 17/18 1442 1440 1442 1442

Aug 18/19 1444 1442 1444 1442

Aug 19/20 1446 1444 1446 1446

Aug 20/21 1448 1446 1448 1448

Aug 21/22 1450 1448 1450 1450

Aug 22/23 1452 1450 1452 1452

Aug 23/24 1454 1452 1454 1454

Aug 24/25 1456 1454 1456 1456

Aug 25/26 1458 1456 1458 1458

Aug 26/27 1460 1458 1460 1460

Aug 27/28 1462 1460 1462 1462

Aug 28/29 1464 1462 1464 1464

Aug 29/30 1466 1464 1466 1466

Aug 30/31 1468 1466 1468 1468

Aug 31/32 1470 1468 1470 1470

Aug 32/33 1472 1470 1472 1472

Aug 33/34 1474 1472 1474 1474

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Aug 35/36 1478 1476 1478 1478

Aug 36/37 1480 1478 1480 1480

Aug 37/38 1482 1480 1482 1482

Aug 38/39 1484 1482 1484 1484

Aug 39/40 1486 1484 1486 1486

Aug 40/41 1488 1486 1488 1488

Aug 41/42 1490 1488 1490 1490

Aug 42/43 1492 1490 1492 1492

Aug 43/44 1494 1492 1494 1494

Aug 44/45 1496 1494 1496 1496

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES



AMERICA

Strong production figures depress Dow and bonds

Wall Street

ANOTHER beating lay in store for equities and bonds yesterday after figures were released showing a stronger-than-expected rise in US industrial production in July, confirming the dangerous strength of the economy, writes Janet Bush in New York.

At 2pm, the Dow Jones Industrial Average was off 23.3 at 2,042.22. Volume at midsession was low at about 70m shares.

The Treasury bond market also moved lower although the selling was moderate given the very strong industrial production figure and a firm Fed Funds rate.

Fed Funds traded at 8% for the whole of yesterday's morning session and the US Federal Reserve announced that it was executing \$2.5bn repurchase agreements which bond traders took as confirmation that it is now targeting Funds rates.

At midsession, prices were quoted as much as 1 point lower in long-dated maturities and the Treasury's benchmark long bond was quoted 1/4 point lower for a yield of 9.43 per cent. This is the highest yield level since the days immediately after last autumn's world stock market crash, apart from two days in late December last year in the aftermath of the release of October's record \$17.6bn trade deficit.

US trade figures loomed large in markets' thinking this week, too. There was a great deal of nervousness yesterday about the release today of June trade figures. The consensus of forecasts, compiled by Money

Market Services of Redwood City, California, is looking for a deficit of \$1bn, little changed from the shortfall of \$1.5bn in May.

June industrial production rose by 0.8 per cent, higher than most forecasts. Economists believe the industrial production series suggests growth in gross national product in the third quarter of between 3 per cent and 4 per cent.

Among featured stocks yesterday in the equity market were US Shoe, one of the most heavily traded shares on the New York Stock Exchange. It jumped 35% to \$23 after the company said it was examining a possible sale or restructuring along with other options for maximising shareholder value.

Cabot Corp surged \$1.4 to \$37.1 in over-the-counter trading. The company said it had broken off talks aimed at getting new bank financing to cover its continuing operating losses. The company said it was looking at alternatives.

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Polaroid rose 8% to \$42.4 after a press report saying that Shamrock, which has already offered \$40 a share for the com-

pany and to pay 40 per cent of the net proceeds from Polaroid's suit against Eastman Kodak, was now considering a hostile takeover bid.

Interco, the retailer and manufacturer of consumer products, added \$2 to \$72, above the tender offer launched yesterday morning at \$70 a share by City Capital Associates, a group of investors which already owns an 8.7 per cent stake.

Pennwalt jumped 33% to \$77 on various press reports that Centaur Partners has boosted its stake in the company, that it is considering launching a \$100 a share take-over bid and that Pennwalt itself may be considering a leveraged buy-out.

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Blue chip issues were weak and this was reflected in the sharp fall in the Dow Jones Industrial Average. International Business Machines dropped \$2 to \$116, Chevron fell 8% to \$45.7, Merck slipped \$2 to \$53.3 and McDonald's dropped \$1 to \$42.4.

STRADDY balloon prices and a lack of genuine business helped most shares to hold their levels, with ex-dividend stocks giving the impression that the market was slightly lower.

Leaders Vaal Reefs and Strata went ex-dividend falling 8% to \$278 and \$3.5 to \$100 respectively. De Beers was unchanged at \$37.75 and Impala Platinum steady at \$23.5.

Canada

FALLING golds and base metals led the retreat in Toronto, where share prices showed a broad decline in thin trading at midday.

The composite index, which had declined about 2 points in earlier trading, lost 21.07 to 3,264.13 on light turnover of 9.7m shares.

SOUTH AFRICA

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Trading hit by wait for US data

THE Assumption Day holiday left few markets open yesterday on the Continent, and those that did trade were subdued pending release of the US trade deficit figures today, writes Our Markets Staff.

FRANKFURT was extremely quiet as interest rate worries continued to hold back the market, along with the wait for the US trade data.

The midsession FAZ index was off 4.62 at 479.20, with the real-time DAX index ending 3.74 lower at 1,169.82.

"Angst over inflation is holding the market back at the moment," said one analyst. Direction on the interest rate front, which could allay such concern, is delayed at least until August 25, when the Bundesbank returns from its recess.

Bonds ended slightly lower, with the yield on the 6.34 per cent 1998 unit at an unchanged 6.785 per cent.

AMSTERDAM was subdued by investor caution before the US news and a lack of developments on the corporate front. The CBS all-share index ended 1.1 lower at 95.2.

Unilever reported interim profits up 14 per cent, rising 50 cents to F1 113.30. But analysts said investors were tending to look more at international fundamentals.

ZURICH had a dull day and shares ended slightly lower in minimal turnover. The Credit Suisse index fell 1 point to 470.6, with dealers remarking that many international investors may have been under the mistaken impression that the market was closed for a holiday.

The worst hit market, Spain, suffered from a general absence of news and the local holiday season, with turnover 41 per cent lower in value. The inertia, exaggerated by the market's popularity and strong rises in previous months, was compounded by the wait for domestic inflation figures mid-month and some dismay at the figures, once released.

Rumours surrounding Daimler regarding a stake in MBB, and a union report about a sharp drop in incoming orders at the carmaker, spurred heavy trading in the stock, while BMW was buoyed by good interim results. However, the final two weeks of July saw reduced activity as interest rate worries came to the fore, and daily volumes fell to around the DM23m level.

In France, turnover was underpinned by a rash of rumours, with takeover speculation leading to large volumes in luxury goods group LVMH, drinks group Perrier and Perrier, food company BSN and textile maker Moulinex.

Healthy corporate results also fuelled demand, along with anticipation late in the month of government action to shake up hard-core shareholdings in

privatisation stocks.

Nevertheless, the summer season and the extended Bastille Day holiday cut into French volumes, taking them below the level in June, when FF28.1bn worth of shares was traded, a 1988 record. The June data was unavailable until now because of computer failure at the bourse that month.

Foreign demand continued to support Italy in July, with the bourse seen by some analysts as the "flavour of the month." Fiat was a popular stock after previous under-performance. But concern over measures to tackle the domestic budget deficit lingered and volumes were down by almost 7 per cent on the month.

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Investors' sentiment post-crash, the stable dollar and good corporate results underpinned most markets, while takeover speculation provided some welcome fizz, especially in France.

The Netherlands held up the best in the face of the holiday trading in July, with turnover falling by less than 2 per cent. Demand was strengthened by encouraging company results, a promising outlook for the steel industry and significant foreign interest in aircraft manufacturer Fokker.

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